



BOSS REPORT #1

**Review of the Nexus Solutions Partnership
Development Agreement
with Kiel Area School District** (Executed April 2026)

August 26, 2026

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Executive Summary

The Nexus Solutions Partnership Development Agreement deserves careful scrutiny from the perspective of Kiel Area School District taxpayers because it does more than authorize a facilities assessment. It establishes a **two-phase relationship in which Nexus evaluates KASD's facilities needs, develops potential projects and funding strategies, assists with referendum strategy and public communications, and then receives an exclusive contractual position for the professional services needed to implement the resulting program.**

The most significant taxpayer concern is the **lack of competitive independence between planning and implementation.** Nexus is engaged to identify deficiencies, develop project options and costs, help prioritize projects, develop financing approaches, and potentially assist with referendum strategy. If the District subsequently elects to implement Phase II projects, the agreement provides that the District will not use another company for that Phase II work, subject to limited exceptions.

This creates a potential structural conflict: **the company helping determine what projects KASD should undertake is also positioned to receive the professional-service contracts associated with implementing those projects.** The agreement does not establish an independent review or competitive selection process for those future professional services.

The financial implications could also be substantial. Phase II design fees are stated at **7–8% of the related architectural and engineering construction cost**, while construction management is **2% of total construction cost**. For illustration, if the applicable construction basis were \$50 million, 2% construction management would equal \$1 million, while 7–8% would represent another \$3.5–\$4 million. These are illustrations, not a determination of the actual fees KASD would owe.

Another important concern is that the agreement states that **Phase I costs will be rolled into the total cost of Phase II work**, yet the three-page agreement does not state a specific Phase I dollar amount. A taxpayer should reasonably ask how much Phase I costs, what happens to those costs

if the District does not proceed to Phase II, and whether the District can obtain and use the resulting analysis independently.

The agreement also contains several provisions that shift risk toward the District. KASD expressly waives its right to terminate the agreement or subsequent Phase II contracts for convenience; Nexus's liability excludes special, indirect and consequential damages; additional insurance above Nexus's standard limits is paid for by the District; and Nexus excludes hazardous-materials work unless specifically included.

Finally, the agreement gives Nexus ownership of Phase I work product and prohibits KASD from copying, sharing, selling or distributing that work without Nexus's consent. For a taxpayer-funded facilities assessment, that restriction is significant because it could limit the District's ability to obtain independent second opinions or use the information with another professional firm.

Overall assessment: The contract is not necessarily improper, and this review does not conclude that Nexus would recommend unnecessary projects. However, from a taxpayer-protection standpoint, the agreement contains several provisions that merit Board-level scrutiny and potentially renegotiation—particularly Phase II exclusivity, future professional fees, work-product ownership, termination rights, and the concentration of planning, financing, referendum and implementation responsibilities in one consultant.

1. What the Agreement Actually Does

The agreement establishes a **Partnership Development Agreement for a Facilities Improvement Program** between KASD and Nexus Solutions, LLC. Nexus is retained to evaluate KASD facilities and develop a comprehensive facilities improvement program.

Among other things, Nexus is tasked with:

- assessing safety and security;
- assessing whether current facilities accommodate educational programs;
- identifying deferred maintenance;
- evaluating ADA compliance;
- analyzing traffic and pedestrian safety;
- evaluating energy, operational and financial efficiency;
- conducting facility audits;
- preparing cost estimates;
- evaluating existing capital improvement plans;
- developing project options and scopes;
- developing funding strategies;
- assisting with bond referendum strategy;
- potentially conducting public-opinion polling;

- developing communication plans and community outreach; and
- potentially providing referendum education support.

The agreement divides this into two phases:

Phase I – Assessment & Evaluation

and

Phase II – Implementation.

That distinction is important because the agreement does not simply hire Nexus to inspect buildings. It potentially puts Nexus at the center of the District's entire facilities-planning process.

2. The Most Important Concern: Nexus Helps Decide What Gets Built and May Then Get the Work

This is the central taxpayer issue.

During Phase I, Nexus is responsible for evaluating needs, developing project options and scopes, preparing cost estimates and helping determine priorities.

During Phase I, Nexus also assists with funding strategies and potentially referendum strategy and public communications.

Then, if the District proceeds to Phase II, the agreement provides that Nexus will provide the professional services, including planning, design, construction management and commissioning.

Most importantly, if the District decides not to proceed with Phase II, it does not have to execute additional contracts with Nexus. **But in exchange, the District agrees that it will not proceed with Phase II work with another company.** There are limited exceptions for routine maintenance/capital-plan work, emergencies and situations where Nexus is unable or unavailable.

Why this matters to taxpayers

Competitive selection is one of the most important protections against unnecessary costs.

A taxpayer could reasonably ask:

Why should the company that develops the facilities program automatically receive the professional work implementing that program?

An independent process could instead separate:

Facility assessment → independent validation → project selection → competitive professional-services selection → construction bidding.

This agreement substantially compresses those steps into one continuing relationship.

3. Potentially Significant Future Fees

The Phase II compensation provisions deserve particular attention.

The agreement establishes:

- **7–8% design fee** of the related architectural and engineering construction cost; and
- **2% construction-management fee** of total construction cost.

Illustration

If a \$50 million construction program were undertaken and the entire \$50 million represented the applicable fee basis:

Service	Contract rate	Illustrative cost
Design	7%	\$3.50 million
Design	8%	\$4.00 million
Construction management	2%	\$1.00 million

That would represent approximately **\$4.5–\$5 million** in professional fees before considering other costs.

Again, this is only an illustration. The contract's actual fee calculation depends on the applicable construction-cost basis and future Phase II contracts.

Taxpayer question

Before the District undertakes a major facilities program, taxpayers should be told:

What is the projected total professional-fee cost under this agreement at \$25 million, \$50 million, \$75 million and \$100 million of construction?

That information should be available before voters are asked to approve substantial new debt.

4. Phase I Cost Is Not Clearly Stated

One of the more unusual financial provisions is:

"The costs associated with Phase I will be rolled into the total cost of Phase II Work."

The three-page agreement does **not state a specific dollar price for Phase I.**

That creates several questions:

- What is the maximum Phase I cost?
- Is Phase I performed on a fixed-fee basis?
- Is it hourly?
- Are expenses reimbursed?
- What happens if the District decides not to proceed with Phase II?
- Does KASD still owe the full Phase I cost?
- How exactly is the Phase I cost incorporated into Phase II?

The agreement should ideally make these financial obligations transparent before the District commits to the relationship.

5. The District Waives Termination for Convenience

The agreement states that:

"The District expressly waives its right to terminate this Agreement or subsequent Phase II contracts for convenience or without cause."

Instead, termination is tied to substantial failure to perform, with written notice and an opportunity to cure.

Why taxpayers should care

School districts operate in a changing environment.

A future Board could conclude that:

- priorities have changed;
- the project is too expensive;
- financing is unavailable;
- voters rejected a referendum;
- another consultant offers a better approach; or
- the District simply wants a different professional relationship.

Under this agreement, the District has voluntarily surrendered a straightforward ability to terminate for convenience.

That is a significant contractual concession.

6. Nexus Owns the Phase I Work Product

The agreement states that plans, reports, documents and other work product prepared during Phase I remain the **sole and exclusive property of Nexus**. It further states that KASD cannot copy, share, sell or distribute the work product without Nexus's consent.

This is especially important for taxpayers

KASD is a public school district paying for an assessment of **its own buildings and its own facilities needs**.

A taxpayer could reasonably expect the District to have broad rights to use the information it paid to obtain.

For example, if Nexus determines that KASD has \$50 million in deficiencies, taxpayers should expect the District to be able to give that report to:

- another architect;
- another engineering firm;
- an independent financial consultant;
- the District's attorney;
- auditors;
- elected officials;
- and the public.

The contract's ownership provision potentially restricts that ability.

Recommended protection

The District should retain a perpetual, irrevocable, royalty-free right to use, reproduce and distribute all taxpayer-funded Phase I work product.

7. Referendum Strategy Creates an Additional Independence Concern

The agreement specifically includes assistance with **bond referendum strategy**. It also says third-party public-opinion polling may be conducted and that Nexus may assist with communication plans, community outreach and potential referendum education support.

This deserves careful examination.

A consultant potentially receiving substantial Phase II professional fees is also helping develop the strategy for securing voter approval of the funding needed for those projects.

That does not establish improper conduct.

But it raises an obvious taxpayer question:

Should the company that may profit from the resulting construction program also be responsible for helping persuade the public to approve the funding?

At minimum, the District should clearly define the scope, compensation and limits of Nexus's referendum-related services.

8. Hazardous Materials Are Excluded

The agreement specifically excludes work involving hazardous or dangerous substances—including asbestos and PCBs—unless that work is expressly included in the scope.

For an older school district, that matters.

If hazardous materials are discovered during the facilities assessment, KASD could face additional professional and remediation costs outside the agreement.

This is not necessarily unreasonable, but taxpayers should understand that **the facilities assessment does not necessarily mean all building-related problems have been comprehensively investigated.**

9. Additional Insurance Costs Can Be Passed to KASD

The agreement states that if the District requests insurance coverage above Nexus's standard limits, KASD agrees to pay and reimburse Nexus for the additional premiums.

This shifts an additional cost of risk protection to the District.

The Board should determine:

- What are Nexus's standard insurance limits?
 - What additional limits might KASD require?
 - What would those premiums cost?
 - Why should the District pay for additional coverage?
-

10. Nexus's Liability Is Limited

The contract provides that Nexus will not be liable for special, indirect or consequential damages arising from the work.

That limitation may be common in professional-service agreements, but it is nevertheless important.

If Nexus's analysis contains a significant error that contributes to an expensive decision, taxpayers should understand precisely what remedies KASD has.

The District should have its attorney review the liability and indemnification provisions together with the insurance requirements.

11. Delays Are Broadly Protected

The agreement states that Nexus is not liable for delays caused by circumstances beyond its control, including acts of God, fire, labor disputes, conditions at the premises, acts or omissions of the District or other contractors, and delays caused by suppliers or subcontractors.

Many of these provisions are understandable.

However, the District should ensure that delays attributable to Nexus itself are clearly distinguished from excusable delays.

12. The Agreement Can Last for Years

The agreement states that it will expire **36 months after Nexus completes its Phase I work**, and it may be extended by agreement of both parties.

Because the three-year period begins after completion of Phase I—not necessarily on the signing date—the actual relationship could extend beyond three years from April 2026.

That matters because the District is simultaneously giving Nexus an exclusive position for Phase II work and waiving termination for convenience.

13. What the Contract Does NOT Provide

From a taxpayer standpoint, some of the most important safeguards are notable by their absence from this three-page agreement.

The agreement does not establish, in these pages:

- a specific Phase I dollar price;
- a maximum overall facilities-program cost;
- an independent review of Nexus's facility findings;
- an independent verification of Nexus's cost estimates;
- competitive selection of Phase II professional services;
- a requirement that the District obtain competing professional-fee proposals;
- a taxpayer-approved project-cost ceiling;
- a guaranteed maximum project cost;
- or broad District ownership of the Phase I work product.

That does not necessarily mean these things don't exist elsewhere. **They simply are not established in this agreement.**

14. Recommended Taxpayer Protections

If the District were negotiating this agreement today, a taxpayer-oriented approach would seek at least the following protections:

1. Remove or modify Phase II exclusivity

The District should retain the unrestricted ability to competitively select Phase II professionals.

2. Establish a fixed Phase I price

Taxpayers should know the maximum cost before the work begins.

3. Establish ownership/use rights

KASD should own or have unrestricted perpetual use of work it pays for.

4. Require independent validation

Major project recommendations and cost estimates should receive independent review before the District commits to construction.

5. Preserve termination for convenience

The District should not surrender this basic contractual protection.

6. Require transparent Phase II compensation

The Board should publish projected professional fees at several construction-cost levels.

7. Separate referendum advocacy from project development

The District should carefully define what Nexus can and cannot do regarding referendum communications and ensure that taxpayer-funded communications are factual and transparent.

8. Require competitive procurement where appropriate

Future professional services should not automatically flow to the Phase I consultant merely because it performed the initial assessment.

Conclusion

The Nexus agreement should be viewed as more than a facilities study.

It establishes a relationship in which Nexus can potentially influence **what KASD builds, how much it costs, how it is financed, how the proposal is presented to voters, and who performs the professional work necessary to implement it.**

For taxpayers facing the possibility of **tens of millions of dollars in school-facility expenditures and potentially substantial long-term debt**, the most important safeguard is independent decision-making.

The central question is therefore not whether Nexus is a competent company. It is:

Does this contract provide KASD taxpayers with enough independence, competition, transparency and financial protection when the District is potentially embarking on one of the largest capital programs in its history?

Based solely on the executed three-page agreement, there are legitimate reasons to question whether it does.

Bottom-line taxpayer assessment

Issue	Taxpayer concern
Phase II exclusivity	● High
Future professional fees	● High
Nexus's dual planning/implementation role	● High
Ownership of Phase I work product	● High
Waiver of termination for convenience	● High
Phase I price transparency	● High
Referendum/communications role	● Significant
Liability limitations	● Significant
Hazardous-material exclusions	● Significant
Additional insurance costs	● Moderate
Delay protections	● Moderate

Important qualification: This is a taxpayer-focused contract review, not a legal opinion. The agreement itself states that additional Phase II contracts will be issued later, so those documents should also be reviewed before assessing the District's ultimate financial exposure.

DATE: April 20, 2026

PARTIES: Kiel Area School District (District)
416 Paine Street
Kiel, Wisconsin 53042

Nexus Solutions, LLC (Nexus)
322 North Broadway, Ste 400
Milwaukee, WI 53202

PROJECT: Partnership Development Agreement for Facilities Improvement Program

Nexus Solutions, LLC, proposes to develop a comprehensive facilities improvement program for Kiel Area School District. Specifically, Nexus will evaluate the following areas of improvement:

- Assess safety and security needs
- Assess current facilities to accommodate necessary education programs
- Identify deferred maintenance needs, including but not limited to, mechanical, electrical, plumbing, roofing, hardscapes, and building envelope repairs and replacement
- Americans with Disabilities Act (ADA) Compliance
- Analyze site for improved traffic and pedestrian safety
- Evaluate opportunities to improve energy, operational, and financial efficiency

Furthermore, Nexus will:

1. Complete a detailed facility audit and prepare cost estimates.
2. Evaluate existing capital improvement lists, define project scopes, and provide itemized list of project improvement options, and consult with the District's Administration & Board on priorities and project selections.
3. Devise multifaceted financial solution that optimizes funding sources & minimizes taxes; funding sources may include capital, fund balance, Fund 46, restructured debt, leveraged savings, and referenda.
4. For Projects the District desires to implement, but that are ineligible for funding within the District's levy authority, assist the District in preparation of a bond referendum strategy. As part of the strategy development, independent third-party public opinion polling may be conducted.
5. Assist the District with consensus building and development of communication plans, community outreach programs, and communications collateral, as needed. Nexus will provide leadership in communication with community, task force groups, or other groups formed or otherwise involved in both the facilities planning process as well as any Phase II projects if pursued, and including potential referendum education support.

To develop and implement the comprehensive facilities improvement program in a timely and logical manner, a two-phase approach will be used:

Phase I – Assessment & Evaluation

Detailed analysis of both short- and long-term capital, maintenance, and educational adequacy needs are analyzed. Potential solutions, including funding options, are developed. Multiple plans are considered in collaboration with District stakeholders, and the Board decides which options to pursue, if any.

Phase II – Implementation

Once the Plan is approved by the Board of Education and funded, detailed designs are completed and, utilizing a fully transparent project management process, construction work is competitively bid, and trade contractors are professionally managed by Nexus. Implementation may occur over several years as funding becomes available.

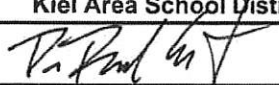
This Agreement defines the obligations of both parties during Phase I. Upon completion of Phase I, the Parties understand and agree that for Phase II, the District shall issue separate contracts to Nexus for all professional services required to implement this work. These services include, but are not limited to planning, design, construction management, and commissioning. Design fee will be 7–8% of the related architectural and engineering construction cost. Construction Management fee will be 2% of total construction cost. To deliver these services, Nexus may self-perform the work or may utilize the services of sub-consultants.

The costs associated with Phase I will be rolled into the total cost of Phase II Work. The District retains the right to proceed with all, some or none of the recommended Phase II work, in its sole discretion. If the District does not proceed with Phase II Work, then the District is not obligated to execute any additional contract documents with Nexus for Phase II Work. In return, the District agrees that it shall not proceed with Phase II Work with any company other than Nexus. Notwithstanding the foregoing, this restriction shall not apply to (a) routine building maintenance or capital projects part of the District's capital plan; (b) emergency needs, for example, critical system failure requiring immediate attention; or (c) if, Nexus is unable or unavailable to perform the work requested.

The District expressly waives its right to terminate this Agreement or subsequent Phase II contracts for convenience or without cause. However, this Agreement may be terminated by either Party upon not less than 14 days written notice should the other party fail to substantially perform in accordance with the terms of the Agreement through no fault of the Party initiating the termination. Furthermore, the terms and conditions attached to this document are incorporated into this proposal by reference.

This Agreement shall expire three years (36 months) after Nexus completes its Phase 1 work. This Agreement may be extended beyond the original three-year term upon the agreement of both Parties. To accept this proposal and authorize Nexus to proceed, please sign where indicated below. This proposal is valid for thirty (30) days.

Kiel Area School District

Signature 

Name Dr. Brad Ebert

Title Superintendent

Date 21 April 2016

Nexus Solutions, LLC

Signature 

Name Michael J. David

Title President

Date 4-23-26

TERMS AND CONDITIONS

By accepting this proposal, the District agrees to be bound by the following terms and conditions:

1. **EXPENSE ANALYSIS.** The District agrees to provide Nexus with utility (electricity, natural gas, propane, fuel oil, water, and sewer) and operational expense records as requested without charge. The District shall not back charge Nexus for any costs or expenses without Nexus' written consent.
2. **HAZARDOUS MATERIALS.** Unless specifically noted in the statement of the scope of work or services undertaken by Nexus under this agreement, Nexus' obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal, or disposal of environment Hazards or dangerous substances, to include but not be limited to asbestos or PCBs, discovered in or on the premises. Any language or provision of the agreement elsewhere contained which may authorize or empower the District to change, modify, or alter the scope of work or services to be performed by Nexus shall not operate to compel Nexus to perform any work relating to Hazards without Nexus' express written consent.
3. **INDEMNITY.** The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorney's fees, which may arise in connection with the execution of the work herein specified and which are caused, in whole or in part, by the negligent act or omission of the indemnifying Party.
4. **LIABILITY.** Nexus shall not be liable for any special, indirect or consequential damages arising in any manner from the work performed pursuant to this agreement.
5. **OCCUPATIONAL SAFETY AND HEALTH.** The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act relating in any way to the project or project site.
6. **INSURANCE.** Insurance coverage in excess of Nexus' standard limits will be furnished when requested and required. If the District requests insurance coverage in excess of Nexus' standard limits, the District agrees to pay and reimburse Nexus for the premiums paid for the excess coverage. No credit will be given or premium paid by Nexus for insurance afforded by others.
7. **COMPLIANCE WITH LAWS.** Nexus shall comply with all applicable federal, state and local laws and regulations and shall obtain all temporary licenses and permits required for the prosecution of the work. Licenses and permits of a permanent nature shall be procured and paid for by the District.
8. **DELAYS.** Nexus shall not be liable for any delay in the performance of the work resulting from or attributed to acts or circumstances beyond Nexus' control, including, but not limited to, acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the District, Owner, or other Contractors or delays caused by suppliers or subcontracts of Nexus, etc.
9. **INVOICING & PAYMENTS.** The District agrees to pay Nexus within 30 days of receiving an invoice from Nexus. If Nexus' invoice is not paid within 30 days of its issuance, it is delinquent.
10. **TAXES.** The price of this proposal does not include duties, sales, use, excise, or other similar taxes, unless required by federal, state or local law. The District shall pay, in addition to the stated price, all taxes not legally required to be paid by Nexus or, alternatively, shall provide Nexus with acceptable tax exemption certificates. Nexus shall provide the District with any tax payment certificate upon request and after completion and acceptance of the work.
11. **OWNERSHIP OF DOCUMENTS.** The plans, reports, documents, and other work product prepared by Nexus ("Work Product") during Phase I are Nexus' instruments of service and shall remain the sole and exclusive property of Nexus. Nexus shall retain all common law, statutory and other reserved rights, including copyright. Nexus specifically retains all right to use, reproduce, and make derivative works from the Work Product and the District shall not copy, share, sell or distribute the Work Product to any third party without Nexus' consent.
12. **CHANGES.** No change or modification of any of the terms and conditions stated herein shall be binding upon Nexus unless accepted by Nexus in writing.
13. **ENTIRE AGREEMENT.** This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings.