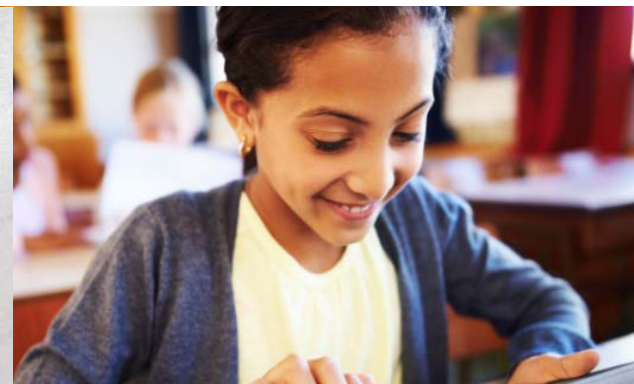


School District of Colby Referendum Financing 101

Task Team Meeting #2

Lisa Voisin, Managing Director
414-765-3801
lvoisin@rwbaird.com

Monday, April 11 , 2016
6:30 PM



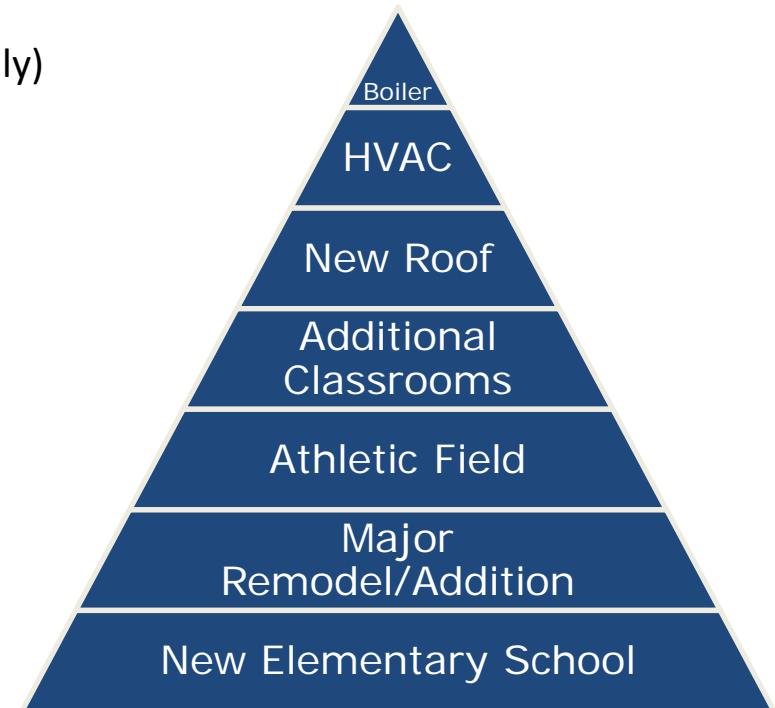
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✓ Maintenance Projects

- Smaller dollar cost projects
- Often paid with operational funds (budget annually)
- Examples
 - Carpet, painting, minor plumbing repair,
 - Lighting replacement/windows

✓ Capital Projects

- Larger dollar cost and longer useful life
- Typically paid for with debt (referendum)
- Examples
 - Building remodeling & additions
 - New schools
 - Auditorium/Pool/Athletic fields



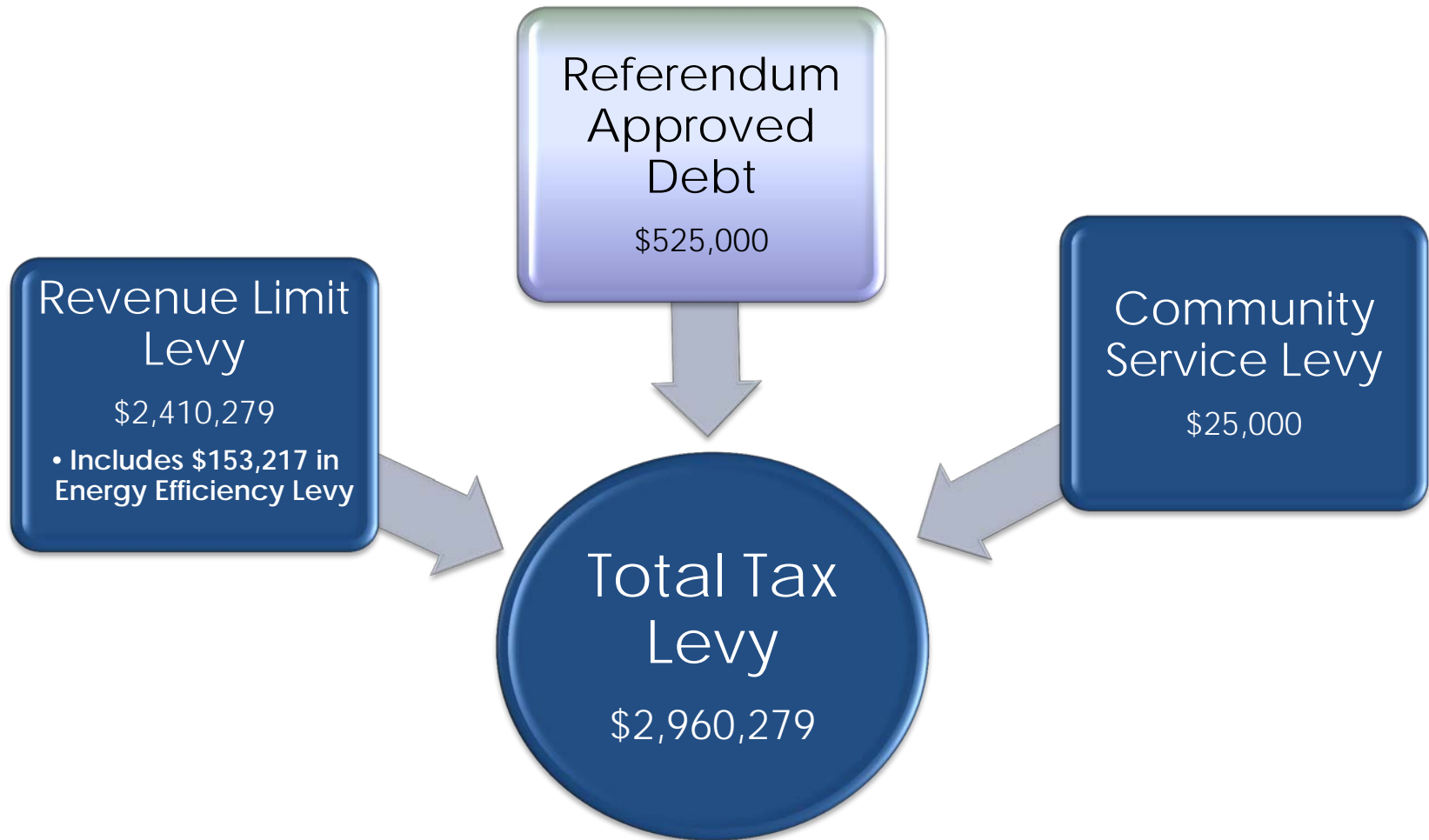
✓ Operational Funds

- Annual Maintenance Budget
 - Becoming more difficult to fund
- Annual Budget Surplus
- Fund 41, 46, 49
- Fund Balance

✓ Borrowed Funds

- Borrowing Authority
 - Referendum
 - Fund 38
 - \$1 Million Exemption
 - Act 32

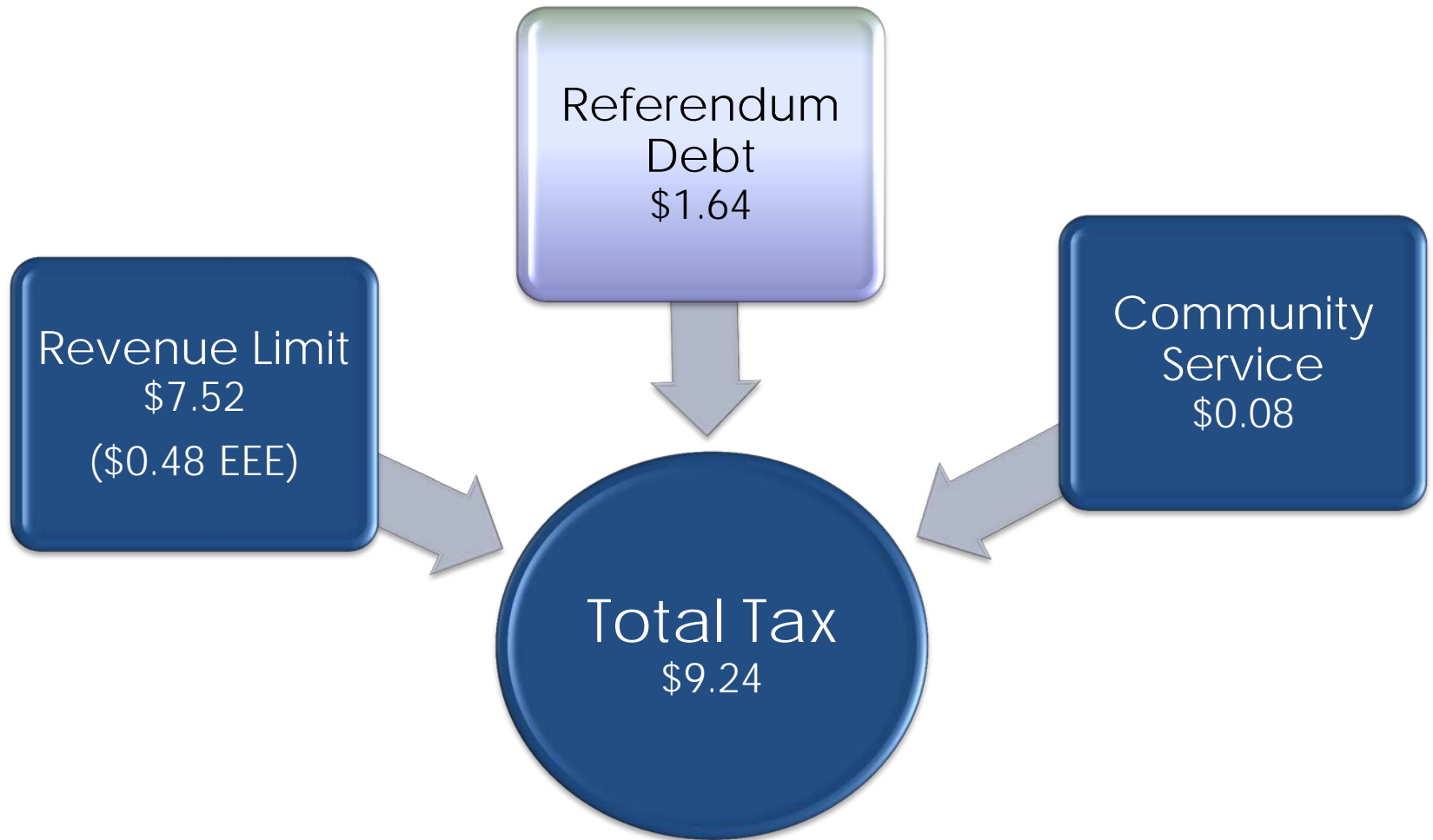
Total 2015-16 School Tax Levy



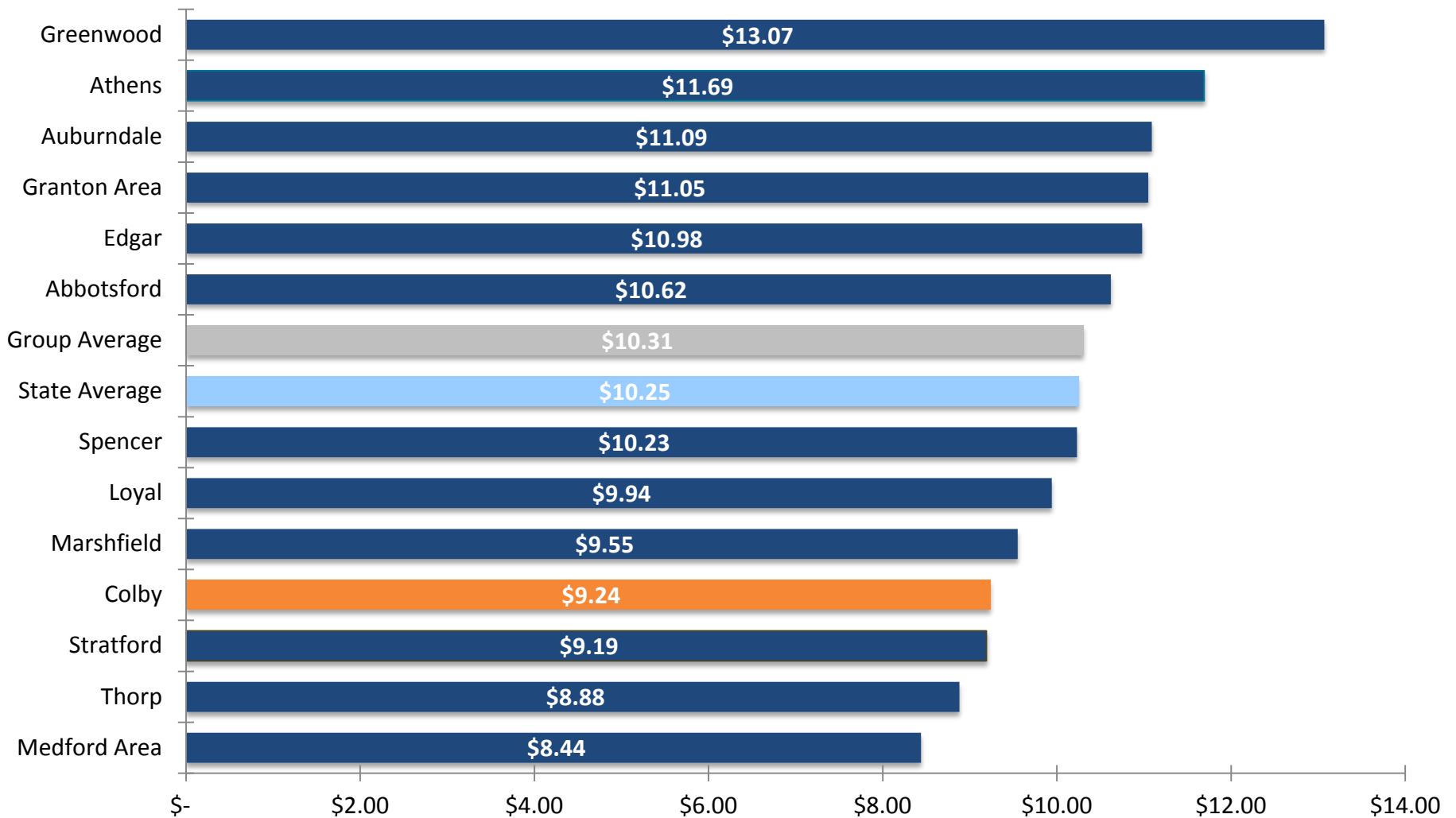
- Total Levy/Total Property Value per Thousand = Mill Rate
- 2015-16 Mill Rate:
 - $\$2,960,279 / \$320,538,766 * 1,000$
 - \$9.24 Mill Rate
 - \$924 on \$100,000 Home



Total 2015-16 School Mill Rates



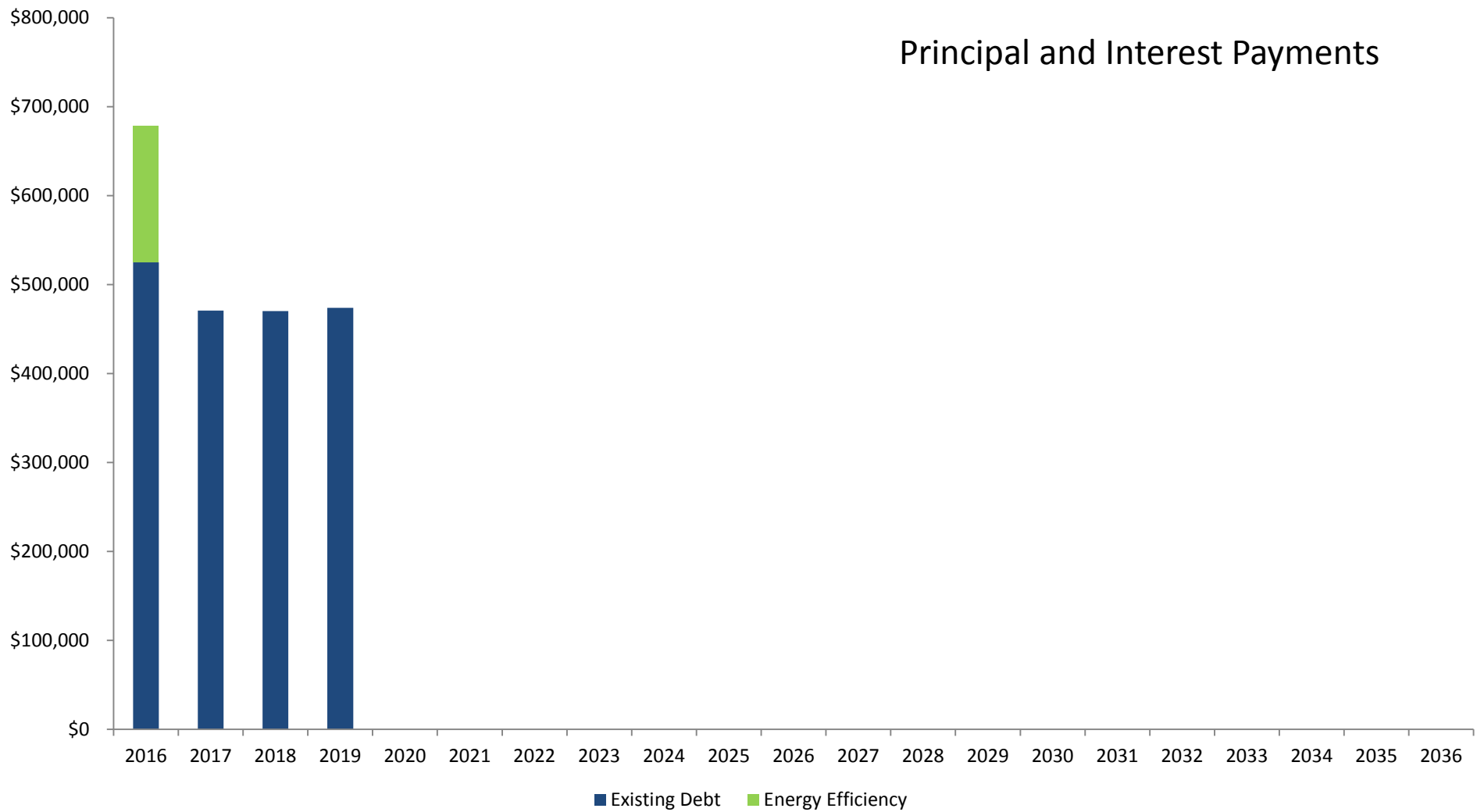
2015-16 Mill Rate Comparison



Existing Debt Payments



Principal and Interest Payments



Summary of Financing Scenarios



PRELIMINARY

| SCENARIO | 1 | 2 | 3 |
|--|--------------------|---------------------|---------------------|
| REFERENDUM AMOUNT | \$5,000,000 | \$10,000,000 | \$15,000,000 |
| MAX MILL RATE IMPACT ⁽¹⁾ <i>(Per \$1,000 valuation)</i> | (\$0.15) | \$0.35 | \$0.90 |

(1) Approximately \$0.08 is related to the energy efficiency borrowing

TAX IMPACT ON PROPERTY WITH FAIR MARKET VALUE:

| | | | |
|-----------------------|-----------|----------|----------|
| \$100,000 Home | | | |
| <i>Annual Impact</i> | (\$15.00) | \$35.00 | \$90.00 |
| <i>Monthly Impact</i> | (\$1.25) | \$2.92 | \$7.50 |
| \$150,000 Home | | | |
| <i>Annual Impact</i> | (\$22.50) | \$52.50 | \$135.00 |
| <i>Monthly Impact</i> | (\$1.88) | \$4.38 | \$11.25 |
| \$200,000 Home | | | |
| <i>Annual Impact</i> | (\$30.00) | \$70.00 | \$180.00 |
| <i>Monthly Impact</i> | (\$2.50) | \$5.83 | \$15.00 |
| \$300,000 Home | | | |
| <i>Annual Impact</i> | (\$45.00) | \$105.00 | \$270.00 |
| <i>Monthly Impact</i> | (\$3.75) | \$8.75 | \$22.50 |



Assumptions:

20-year borrowing rate estimated at 4.00%.

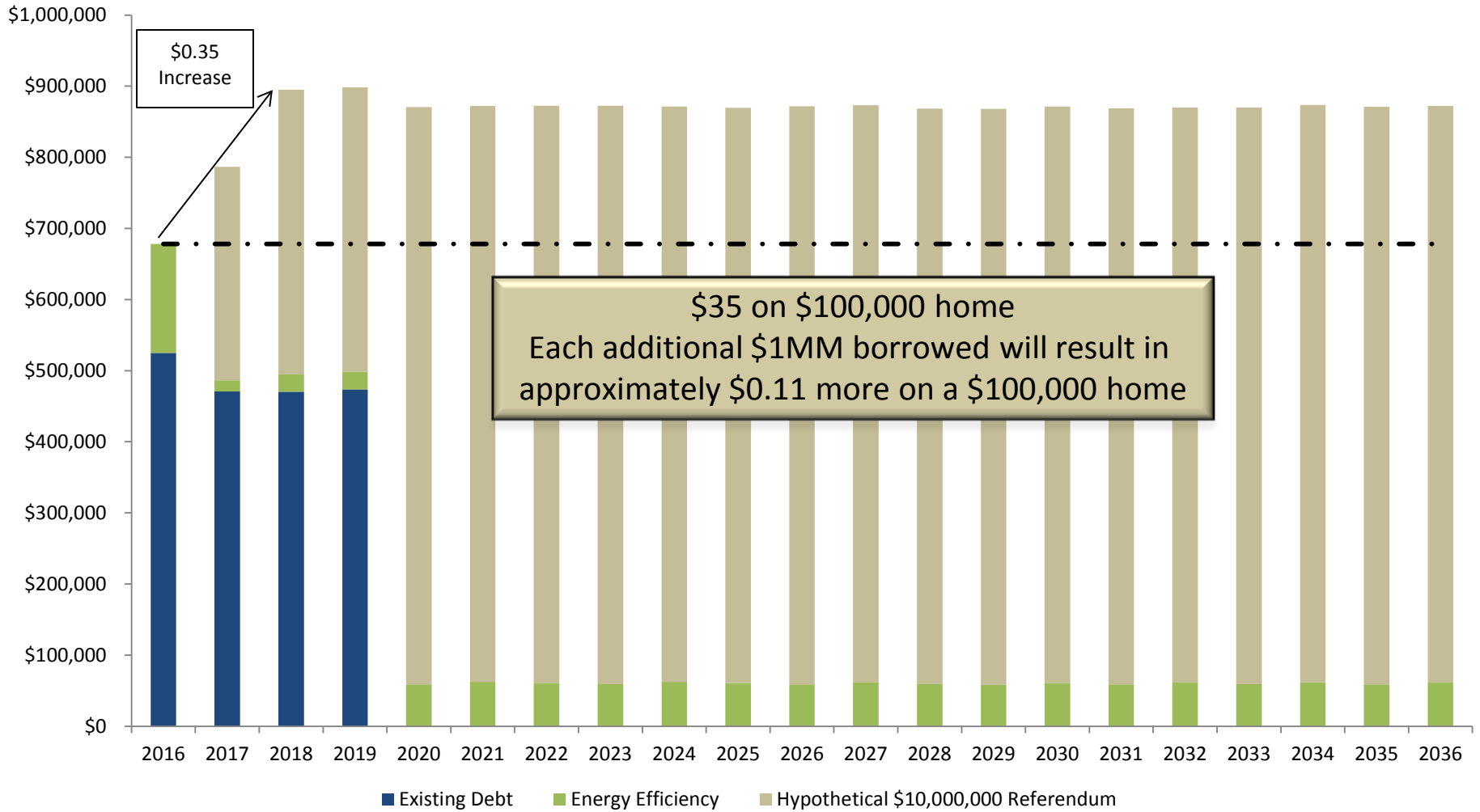
Mill rate based on 2015 Equalized Valuation (TID-OUT) of \$320,538,766 with annual growth of 1.00% for 3 years and 0.00% thereafter.

Tertiary Aid Impact: 40.92%.

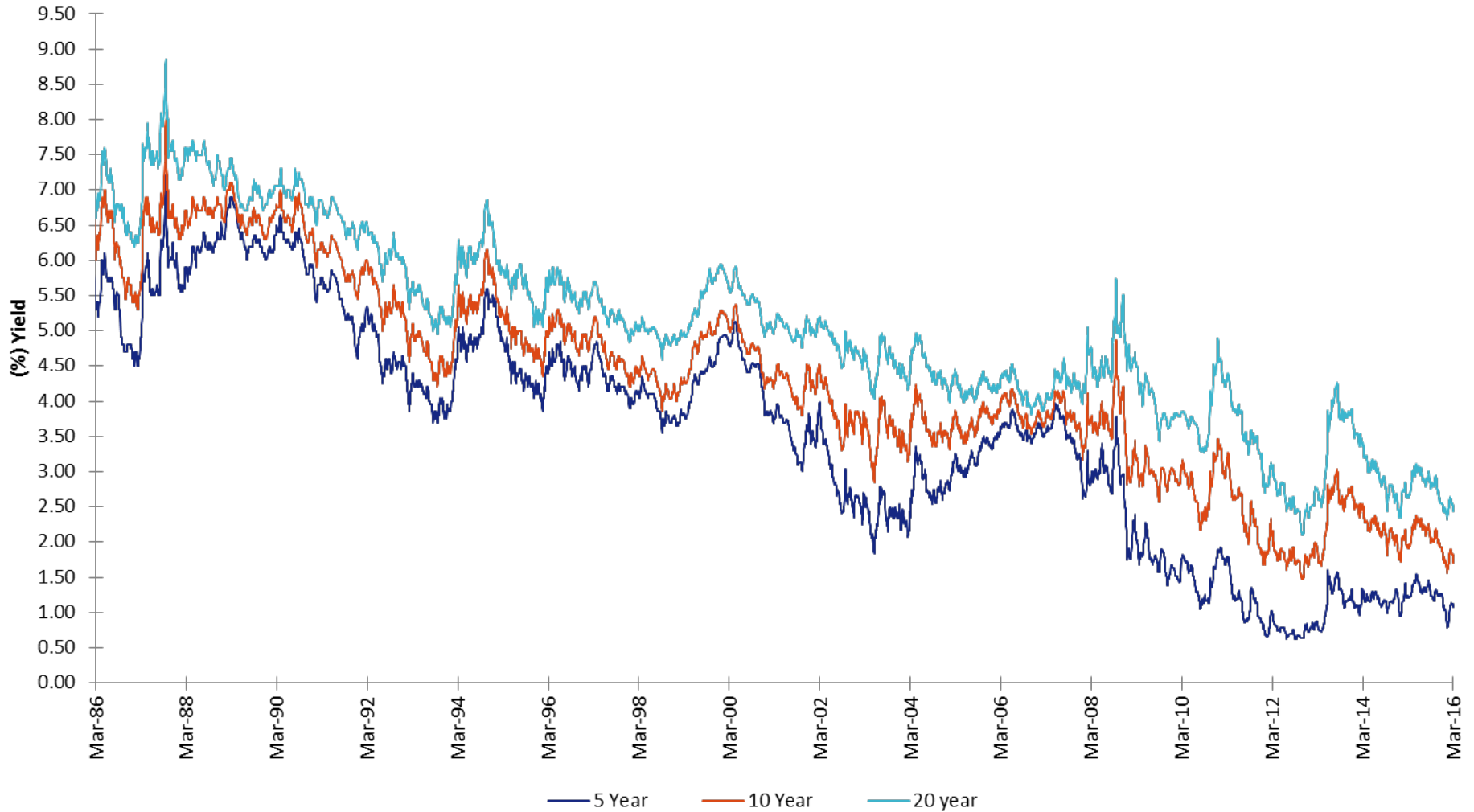
*Please note each additional \$1 million borrowed will result in approximately 11 cents increase in the tax impact or \$11 annual increase on a \$100,000

Note: Planning estimates only. Significant changes in market conditions will require adjustments to current financing plan. Rates are subject to change.

Projected Debt Payments



AAA Municipal Market Data (MMD) Index Past 30 Years



SOURCE: Thomson Municipal Market Data of as of March 31, 2016

Colby School District Referendum History Since 2000



| Vote Date | Type | Total Amount | Yes | No | Result | Brief Description |
|-----------|--------------|--------------|-----|-------|---------------|--|
| 9/9/2008 | Issue Debt | \$2,550,000 | 691 | 266 | Passed | cost of repairing, replacing and maintaining school district buildings, grounds and facilities and acquiring related equipment |
| 9/9/2008 | Issue Debt | \$1,400,000 | 728 | 215 | Passed | financing the district's unfunded prior service liability contributions under the WI retirement system |
| 6/29/2006 | NR – 5 years | \$5,000,000 | 333 | 1,395 | Failed | maintenance of existing educational programs and facilities of the district |
| 2/21/2006 | NR – 5 years | \$2,500,000 | 520 | 576 | Failed | general operations and to maintain existing programs and facilities |
| 4/4/2000 | Issue Debt | \$1,400,000 | 713 | 569 | Passed | repair, replace, maintenance of bldngs, grounds and athletic facilities |

Is the Need for Referendum Unique to your District?

Since 2010:

- 67% of Wisconsin schools have gone to referendum, many of them multiple times, for either debt or revenue limit override questions.

2016 Year to Date:

- 84 questions on the referendum ballot thus far
 - Over \$965 million of total funding requests
 - 31 questions for NR Revenue Limit Increases totaling \$192.318 million
 - 12 questions for RR Revenue Limit Increases totaling \$19.168 million
 - 40 questions for new Debt Authority totaling \$753.840 million

Debt Issuance YTD:

- 40 issue debt questions: 75% passed

| Issue Debt Question Breakdown | 2016 |
|--------------------------------------|-------------|
| Over \$20M | 12 |
| Over \$10M to \$20 | 6 |
| Over \$5M to \$10M | 11 |
| \$5M or Less | 11 |

2016 Area School Referenda

| DISTRICT | Referenda Type | Vote Date | Amount (Total) | RESULTS |
|---------------------|----------------|-----------|----------------|---------------|
| Stratford (5628) | Issue Debt | 4/5/2016 | \$7,995,000 | Failed |
| Stratford (5628) | Issue Debt | 4/5/2016 | \$15,995,000 | Passed |
| Medford Area (3409) | Issue Debt | 4/5/2016 | \$3,205,000 | Passed |
| Medford Area (3409) | Issue Debt | 4/5/2016 | \$975,000 | Passed |
| Auburndale (0203) | NR – 3 years | 4/5/2016 | \$900,000 | Passed |
| Auburndale (0203) | RR | 4/5/2016 | \$500,000 | Passed |
| Greenwood (2394) | NR – 5 years | 4/5/2016 | \$3,850,000 | Passed |
| Spencer (5467) | NR – 5 years | 4/5/2016 | \$4,875,000 | Passed |

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