



For immediate Release
Contact: Joe Garza, Superintendent
262-789-6200
joe.garza@nbexcellence.org

SDNB Board of Education Approves Budget for 2015-16 Fiscal Year ***Tax Levy Approved; Property Taxes will Decrease***

NEW BERLIN, WI - October 27, 2015. The Board of Education formally approved the budget for the 2015-16 budget fiscal year at last night's regular school board meeting. "The level of fiscal responsibility that the district has shown has been exemplary, and we are very appreciative of that," said School Board President Dave Maxey, in response to CFO Roger Dickson's budget report. The school district portion of property taxes will be \$30 lower than last year with a modest tax levy. The district also gained significant interest savings on bond issues for capital projects and refinancing, and maintained a Moody's bond rating of AA1.

"I'm pleased to report that we are able to hold taxes in check, while at the same time, continuing to find ways to expand student opportunities and programming and move forward with capital improvements --all within this modest increase," said Superintendent Joe Garza.

Key Takeaways:

- School board adopts levy of \$49.7M
- Levy is 1.2% higher than last year, but under the current CPI of 1.67%
- The mill rate (total tax rate) will be \$11.23 per \$1,000 of equalized property value.
- Property taxes will go down slightly - a home valued at \$250,000 will have a school tax of approximately \$2,808 - \$30 less than last year.
- Debt refinancing will result in savings of approximately \$60,000 per year
- The district maintains its excellent Moody's bond rating of AA1

Budget and Tax Levy Approved

Property taxes are the primary funding source for the School District of New Berlin, accounting for 75% of revenues. This year's property tax levy of \$49,730,914, including \$1,198,000 for capital expansion projects, is \$242,000 under the revenue limit. The increase is caused by continued loss of general state aid and a proposed increase for borrowing for energy and operational efficiency projects.

The district's equalized property value will increase 2.3%, resulting in a property tax rate decrease of \$0.12 per \$1,000 of equalized value for a total tax rate of \$11.23.

Debt Refinancing

The board approved a Resolution authorizing the issuance and awarding the sale of \$9,995,000 general obligation corporate purpose bonds. This action provides the financing for the previously approved air conditioning projects at Orchard Lane and Poplar Creek, as well as a partial refinance of 2006 outstanding bonds. Capital expenditures in this budget include:

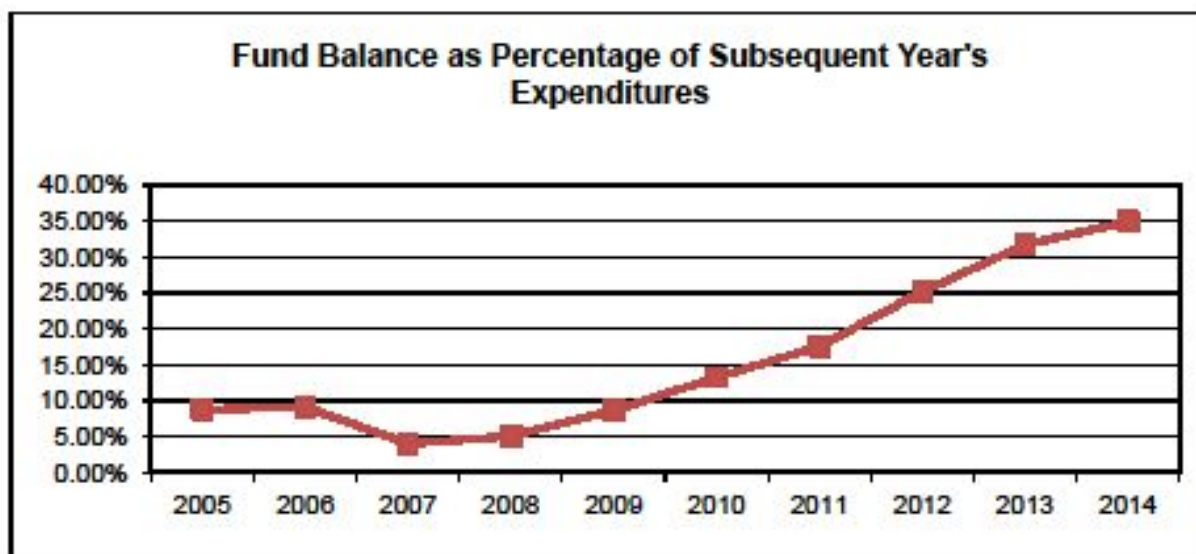
- \$1,500,000 parking lot upgrades at Eisenhower
- \$3,000,000 classroom, offices and commons at Eisenhower
- \$1,196,000 for annual capital projects
- \$2,100,000 for the Eisenhower pool project
- \$5,170,500 for proposed projects:
 - Air conditioning at Poplar Creek and Orchard Lane \$2,700,000
 - HVAC updates at Poplar Creek and Orchard Lane \$2,770,000

PMA Financial Network helped the district refinance outstanding debt, resulting in significant savings and securing a lower rate that will save approximately \$60,000 per year in interest costs. “What we thought was going to be a 2.45% interest rate came down to 1.92%, which is a significant savings,” said School Board Vice President Tom David. “This is great news for New Berlin residents.”

The tax impact to complete the air conditioning projects was originally anticipated to average \$15 per year for 14 years on a \$250,000 home. Due to interest savings, the impact will be only \$10 annually on average.

Use of Fund Balance and Bond Rating

Roger Dickson explained that by following conservative budget principles over the last 5 years, the district has been able to outperform each year’s budget and increase the fund balance for the purpose of completing several projects identified in the long-range facilities maintenance and remodeling plan. This conservative approach has helped the district maintain its favorable Moody’s Bond rating of AA1, one level below the highest rating of AAA. A good credit rating leads to lower credit costs.



School board members thanked Superintendent Joe Garza, CFO Roger Dickson, and staff for their “fortitude” in finding savings for the district and for their work on the budget, recognizing the work now

underway on the Eisenhower pool renovation, high school commons areas, parking lots, and HVAC and energy repairs at Orchard Lane and Poplar Creek Elementary schools.

###