

School District of Menomonee Falls 2016-2017 Budget Hearing

September 12, 2016

6:15 p.m.

Menomonee Falls High School Auditorium

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Welcome to the 2016-2017 Community Budget Hearing

- Celebrations
 - Student Achievement
 - Financial Points of Pride
- 2015-2016
 - Budget Recap
- 2016-2017
 - Budget Goals
 - Budget Planning
 - Budget Highlights



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Student Achievement Top 2016 Celebrations

- 107 Advanced Placement Scholars – Record-breaking 74 previous year
- 98% Graduation Rate - 100% Black & Hispanic
- Back-to-Back Top Workplace Awards - 2015 & 2016
- 1,500 Community Volunteers
- 2,800 College Acceptance Letters
- Back-to-Back state baseball titles
- 3 years in-a-row WIAA Sportsmanship awards
- \$2.3 million in scholarships awarded
- State Champs in FBLA at Middle & High
- State Spelling Bee Champion

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Financial Points of Pride



- We remain one of the best fiscally managed districts in the state with our Aa2 bond rating
(Reaffirmed June 2016)
- Successful \$32.7 million capital referendum
(April 2016)
- Reduced Employee Benefit Costs
(More than \$2.6M/Year savings)
- Reduced Retirement Liability
(by more than \$15M (over 59%))

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Financial Points of Pride (Continued)

- **Debt Refinance Savings**
(more than \$2.5M in direct taxpayer savings since 2006)
- **Reduced Cash-flow Borrowing Need**
(by more than \$5.0M (over 50%) since 2006)
- **Projected Tax Levy Rate** (No Increase from 2015-16)
(\$11.60/\$1,000 of Property Value (down 6% from 2013-2014))
- **Energy Cost Avoidance**
(\$7.0M since 2001)



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2015-2016 Budget Recap

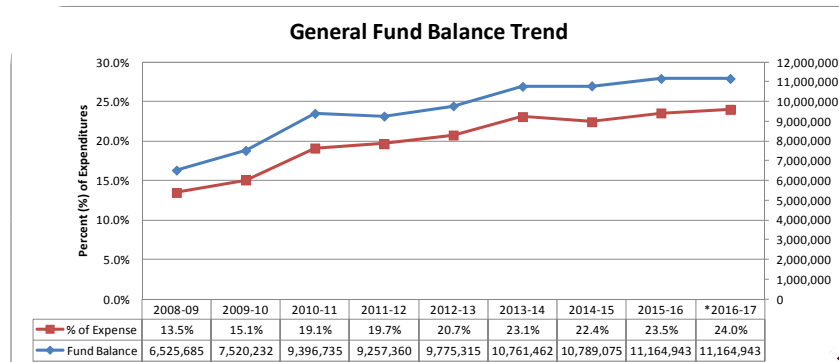
Fiscal Year End (General Fund) Summary Analysis				
GENERAL OPERATIONS (Fund 10)	Budget	Actual	\$ Difference	% Difference
Total Revenues	\$ 47,440,269	\$ 47,797,815	\$ 357,546	0.75%
Total Expenditures	\$ 47,776,544	\$ 47,421,947	\$ (354,597)	-0.74%
Net Change to Fund Balance	\$ (336,275)	\$ 375,868	\$ 712,143	1.49%
<u>Keys to Financially Successful Fiscal Year (2015-2016)</u>				
<i>A. One-time Unanticipated Revenues</i>				
<i>B. Budget vs. Actual - Expenditures managed under budget</i>				
<i>Unanticipated Revenue (WEA Trust Settlement, Interest, E-Rate)</i>				357,000
<i>Short Term Loan Interest, Unemployment Insurance (Savings)</i>				81,000
<i>**Carryover Requests (Divisions delayed spend into Fiscal 2016-17)</i>				274,000
				\$ 712,000
			Adjustment	143
			Total	\$ 712,143

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2015-2016 Budget Recap

- \$375,868 Addition to the General Fund Balance
- Helps to Maintain District Bond Rating (Aa2)
- Reduces Cash-Flow Borrowing Need and Interest Expense
- Allows for Allocation to Long-Range Capital Planning Projects
- Provides Security for Years with Unfavorable Self-Funded Health Claims



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Annual Budget Timeline

- June-August
 - Update Strategic Progress
 - Close Previous Fiscal Year
- September-November
 - Final Budget Approval & Levy Certification
 - Update Budget Forecast Projections
- December-February
 - Align Strategic Priorities with Budget
 - Communicate Budget Forecast & Strategic Priorities
- March-May
 - Communicate Budget Plan & Approve Staffing Levels
 - Prioritize Summer Infrastructure Projects

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2016-2017 Budget Goals/Priorities

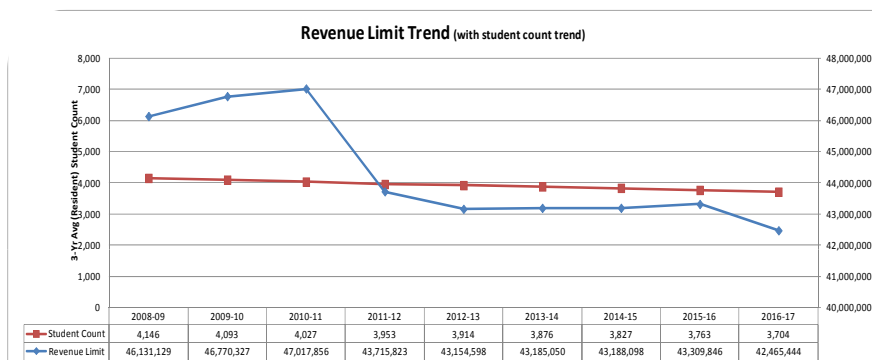
- Improve **Student Achievement and Staff Performance** with Continuous Improvement Focus in ALL Divisions and Levels
- Ensure Appropriate **Class Size** Ratios and Prioritize **Student Programming** for Successful College and Career Transitions
- Sustain **Efficient and Effective Operations** in all Divisions and Levels
- Focus (budget) Resources on **Strategic Improvement** Priorities
- **Safeguard the Taxpayer's Investment** through High Organizational Performance to ensure ongoing Strong Home Values



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Budget Parameters

Revenue Limit – the State's Control on Dollars (\$) available for Public School Districts to Operate

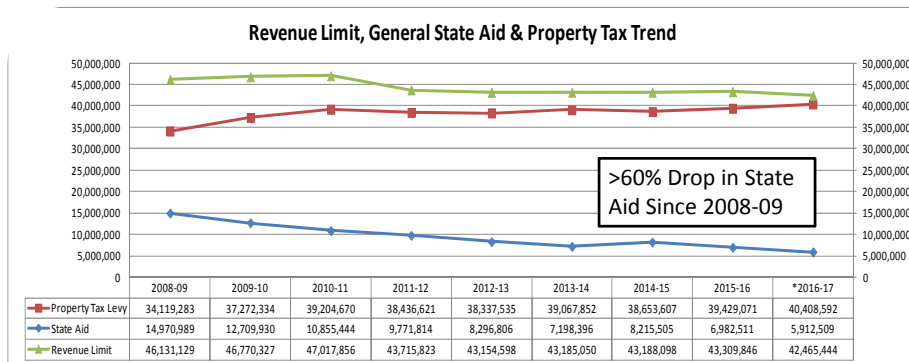


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Budget Parameters (Continued)

The Revenue Limit (set by the State) is made up of State Aid (the State's Contribution) and Property Tax (Local Contribution toward SDMF's Education)

Revenue Limit, State Aid, & Property Tax Correlation

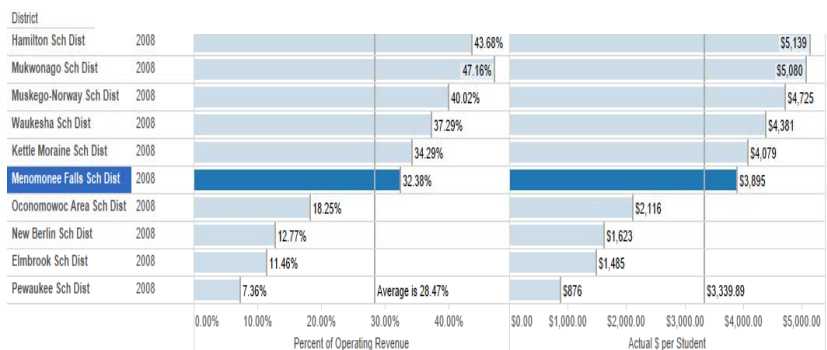


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Budget Parameters (Continued)

2008 Total State Revenue Comparison – Waukesha County K-12 Districts

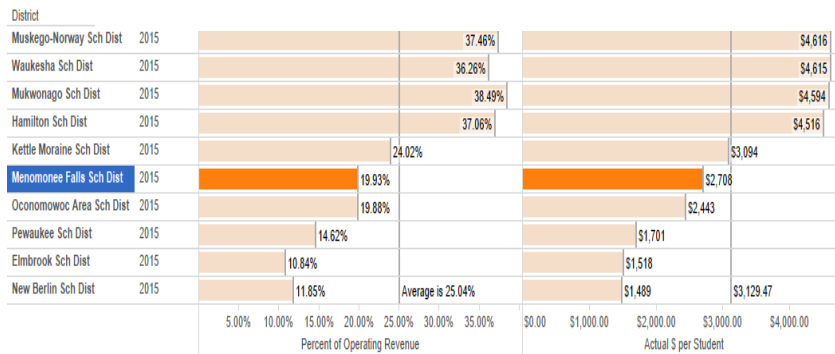


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Budget Parameters (Continued)

2015 Total State Revenue Comparison – Waukesha County K-12 Districts



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Strategic (Budget) LEVERAGE

Budget Priorities

- Continuous Improvement at ALL Levels
(from Classroom to Operations)
- Continued Student Technology Access
- Increase Student Academic Interventions & Supports
- Prepare Students for Success in Technical, College,
and Career Transitions

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Strategic (Budget) SAVINGS

Reductions & Revenue to Balance the Budget

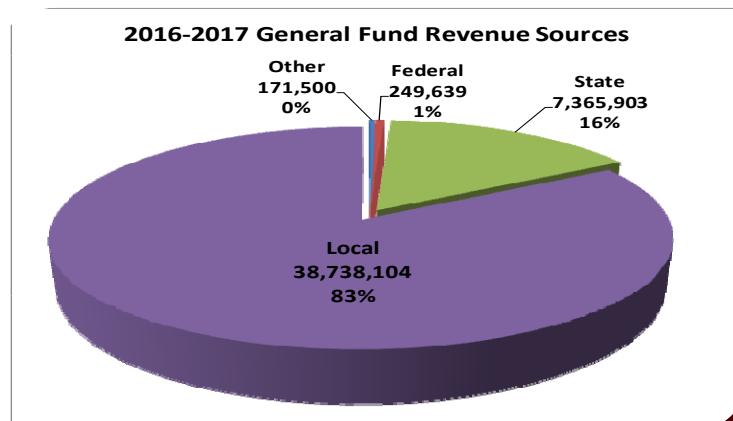
- Staff Reductions (based on enrollment)
- Compensation Limits Based on Market
- Self-Funded Health Plan Design Changes
- Division Budgets Prioritized and Reduced
- Student Transportation Fuel Surcharge Reduction
- Additional Revenues – P-card Rebate, Training Institutes

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2016-2017 Revenues

Anticipated Revenue decrease (-2.66 %) compared with 2015-16 Revenues

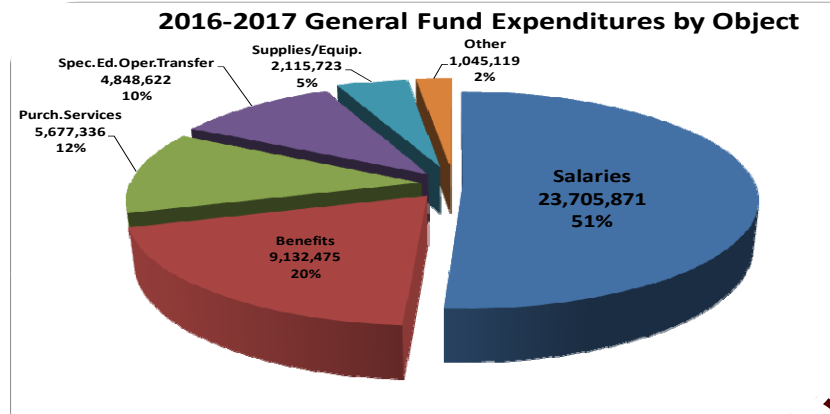


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2015-2016 Expenditures (by Object)

Salary and Benefit Expenditures make up 71% of the General Fund Budget

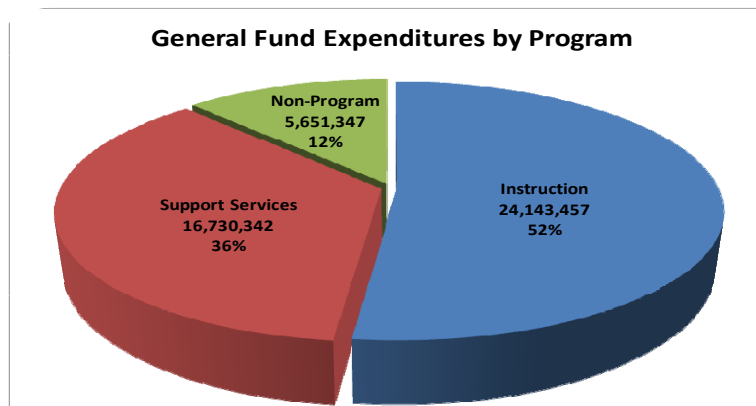


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2016-2017 Expenditures (by Program)

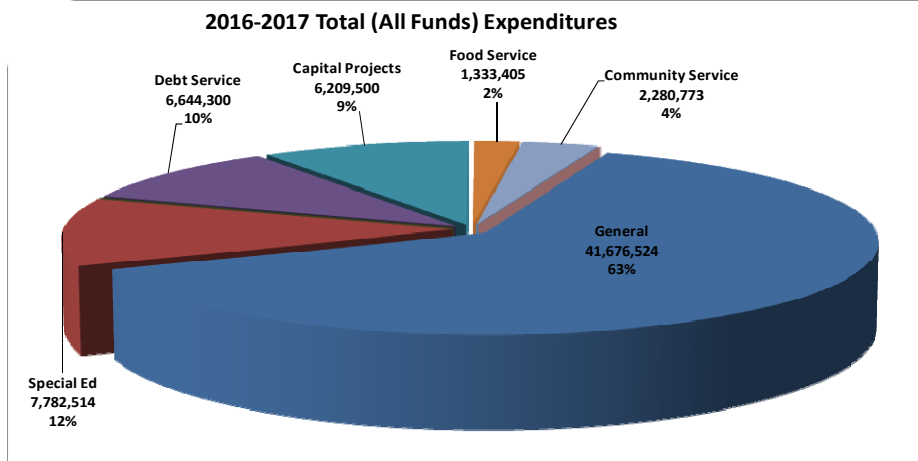
52% of General Fund Expenditures on Direct Instructional Programming



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2016-2017 Total Expenditures (by Fund)



Total (All Funds) Expenditures - \$57,314,724
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Employee Benefit Trust – June 30, 2016

Established in 2007-08 to Fund Post-Employment Benefit (OPEB) Liability
The District has Reduced its OPEB Liability by over \$15.0M (59%) since 2010

Employee Benefit Trust	
Beginning balance as of July 1, 2015 (Cash Value)	\$ 2,774,649
Estimated deposits to the Trust during the year	785,221
Estimated realized gain during the year	25,000
Less estimated disbursements through June 30, 2016	(831,378)
Estimated ending balance as of June 30, 2016	\$ 2,753,492

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2016-17 Property Tax Levy

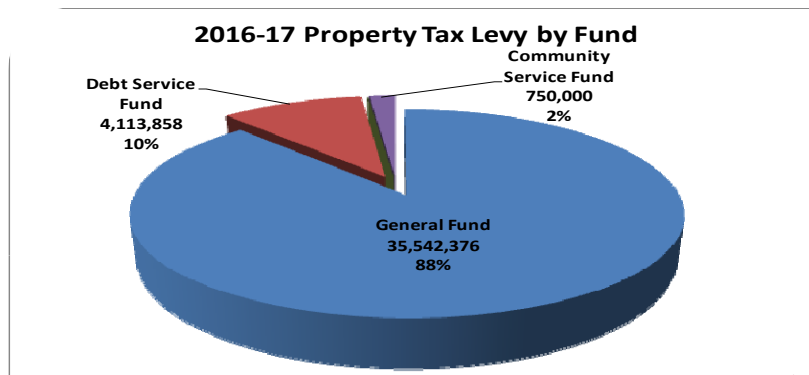
	Audited 2013/14	Audited 2014/15	Unaudited 2015/16	Proposed 2016/17
Total Taxes				
General Fund-Current Operations	\$ 35,037,547	\$ 34,004,340	\$ 35,386,205	\$ 35,542,376
Debt Service Fund	3,244,977	3,867,692	3,289,139	4,113,858
Community Service Fund	750,000	750,000	750,000	750,000
Uncollected Prior Year Levies	35,328	31,575	3,727	2,358
Total Levy	\$ 39,067,852	\$ 38,653,607	\$ 39,429,071	\$ 40,408,592
Percent Change fr Previous Year	1.98%	-1.06%	2.01%	2.48%

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2016-17 Property Tax Levy

General Fund Levy is 88% of the Total Levy; and is impacted most by changes in State (Aid) Funding levels

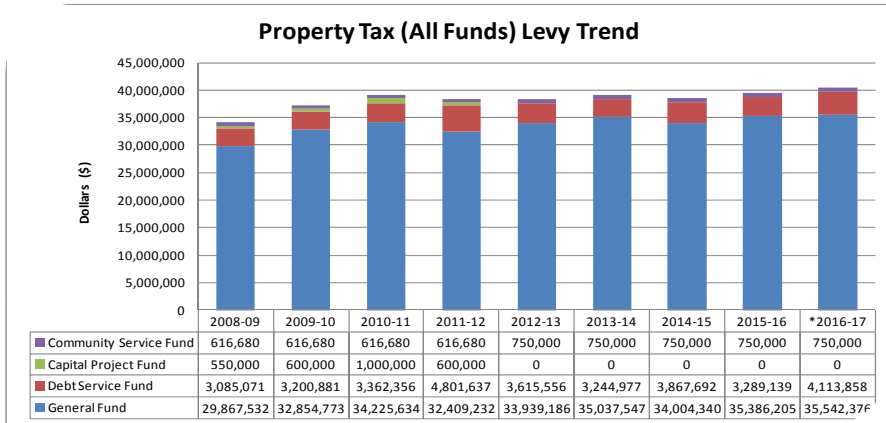


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Property Tax Levy Trend

2016-17 Total (All Funds) Tax Levy - \$40,408,592



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Property Tax Levy Rate Calculation

2016-17 Total (All Funds) Mill Rate (Estimate) - \$11.60 per \$1,000 of Property Value

	Audited 2013/14	Audited 2014/15	Unaudited 2015/16	Proposed 2016/17
Tax Levy & Tax Rate Schedule				
Total Tax Levy	\$ 39,067,852	\$ 38,653,607	\$ 39,429,071	\$ 40,408,592
Equalized Value	\$ 3,162,676,195	\$ 3,352,199,906	\$ 3,397,888,891	\$ 3,482,836,113
Percent Change fr Previous Year	-2.85%	5.99%	1.36%	2.50%
Tax Rate Per \$1,000	\$ 12.35	\$ 11.53	\$ 11.60	\$ 11.60
Percent Change fr Previous Year	4.97%	-6.65%	0.63%	-0.02%
For Example-A Home Valued at \$250,000:				
Equalized Property Taxes	\$ 3,090.38	\$ 2,882.70	\$ 2,901.00	\$ 2,900.55
Dollar Change fr Previous Year	\$ 146.29	\$ (207.68)	\$ 18.29	\$ (0.45)

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