



PMA[™]
SECURITIES

Property Tax Levy Management Tips to Plan Strategically

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March 20, 2024



Agenda for Today

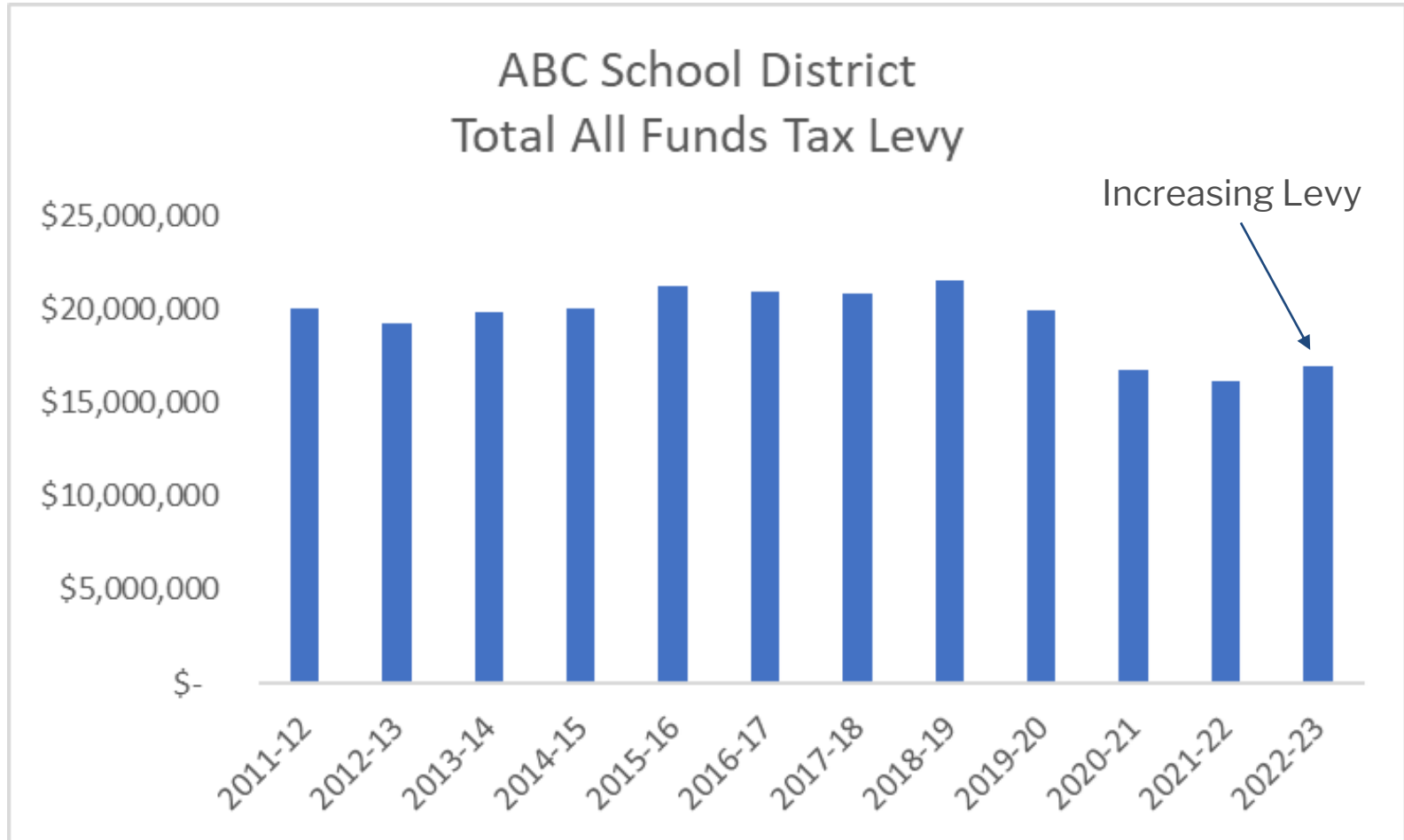
- Value of managing your tax levy and/or mill rate
- Strategies for managing your tax levy/mill rate
 - State Aid
 - Equalized Values
 - Net New Construction (NNC)
 - School Levy Credit
- Long Term Outcomes



No Levy or Mill Rate Management

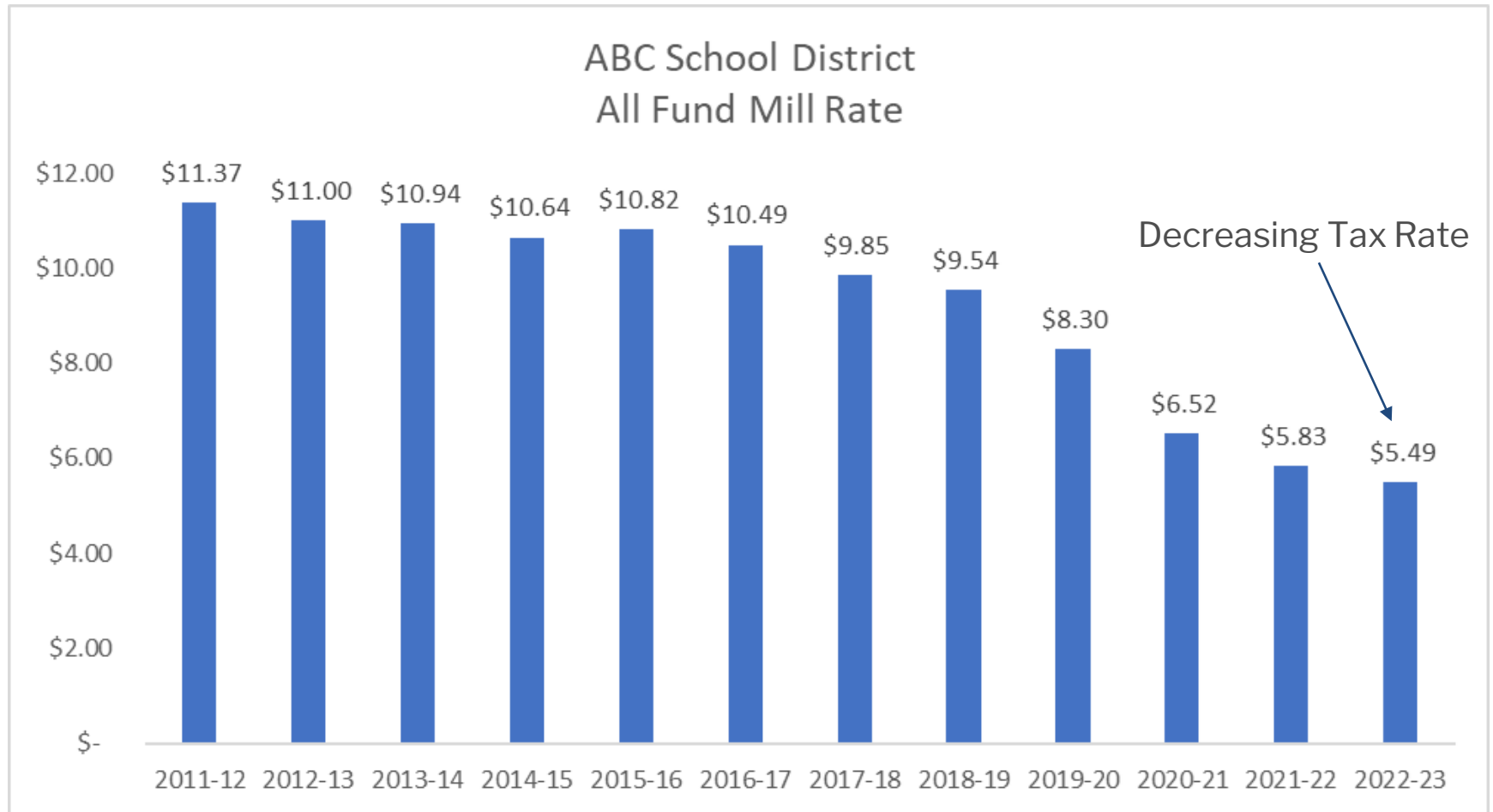


Value of Managing your Tax Levy/Mill Rate





Value of Managing your Tax Levy/Mill Rate

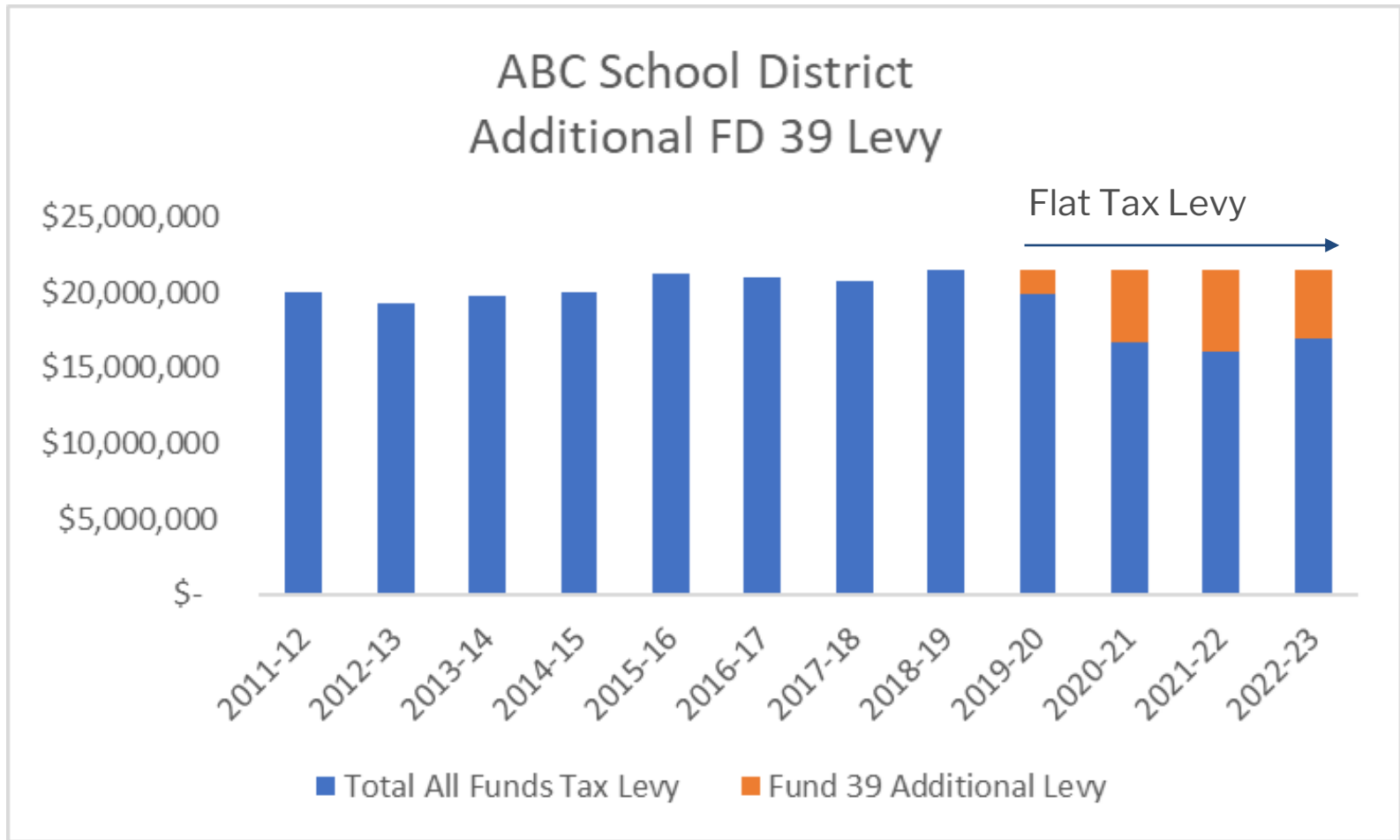




Tax Levy Management

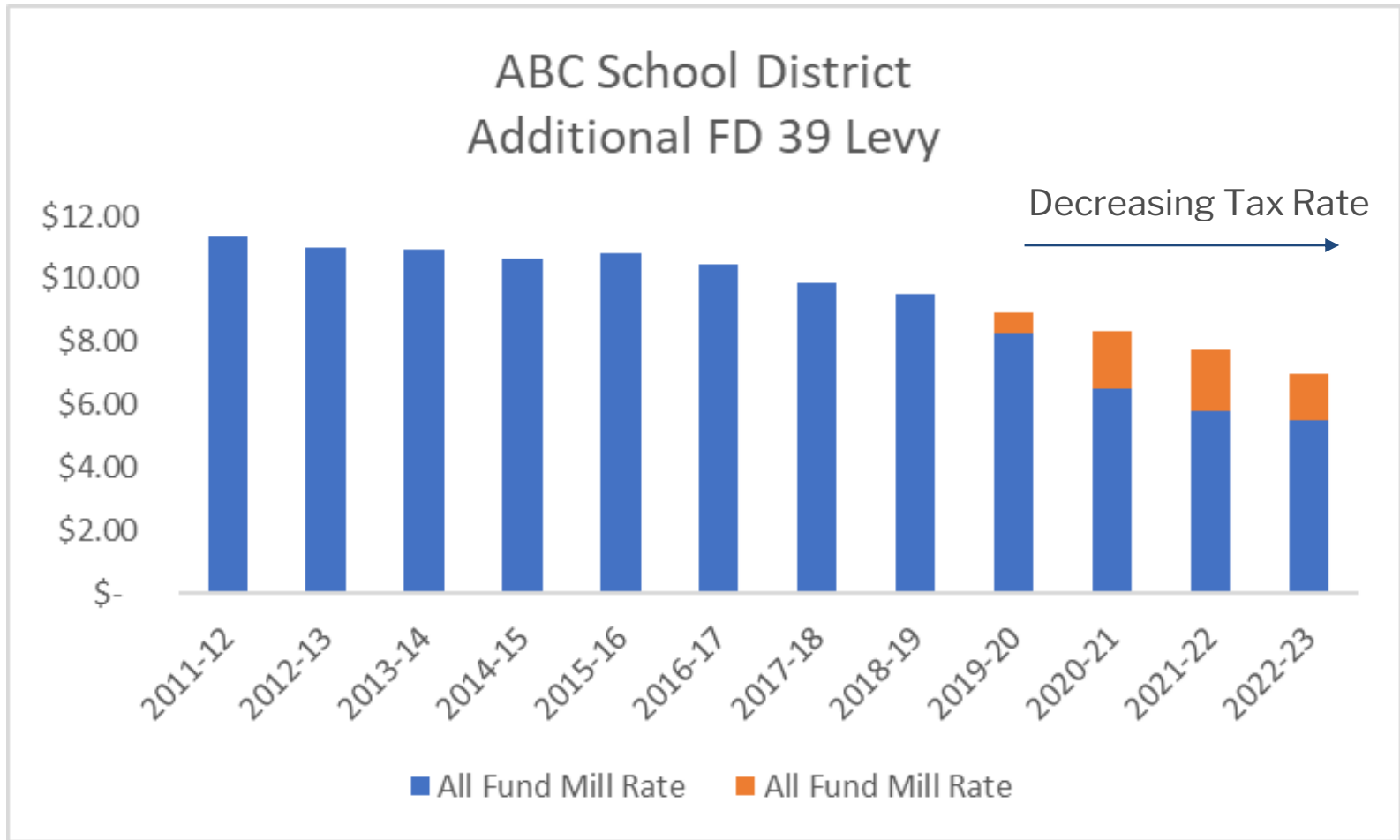


Value of Managing your Tax Levy/Mill Rate





Value of Managing your Tax Levy/Mill Rate

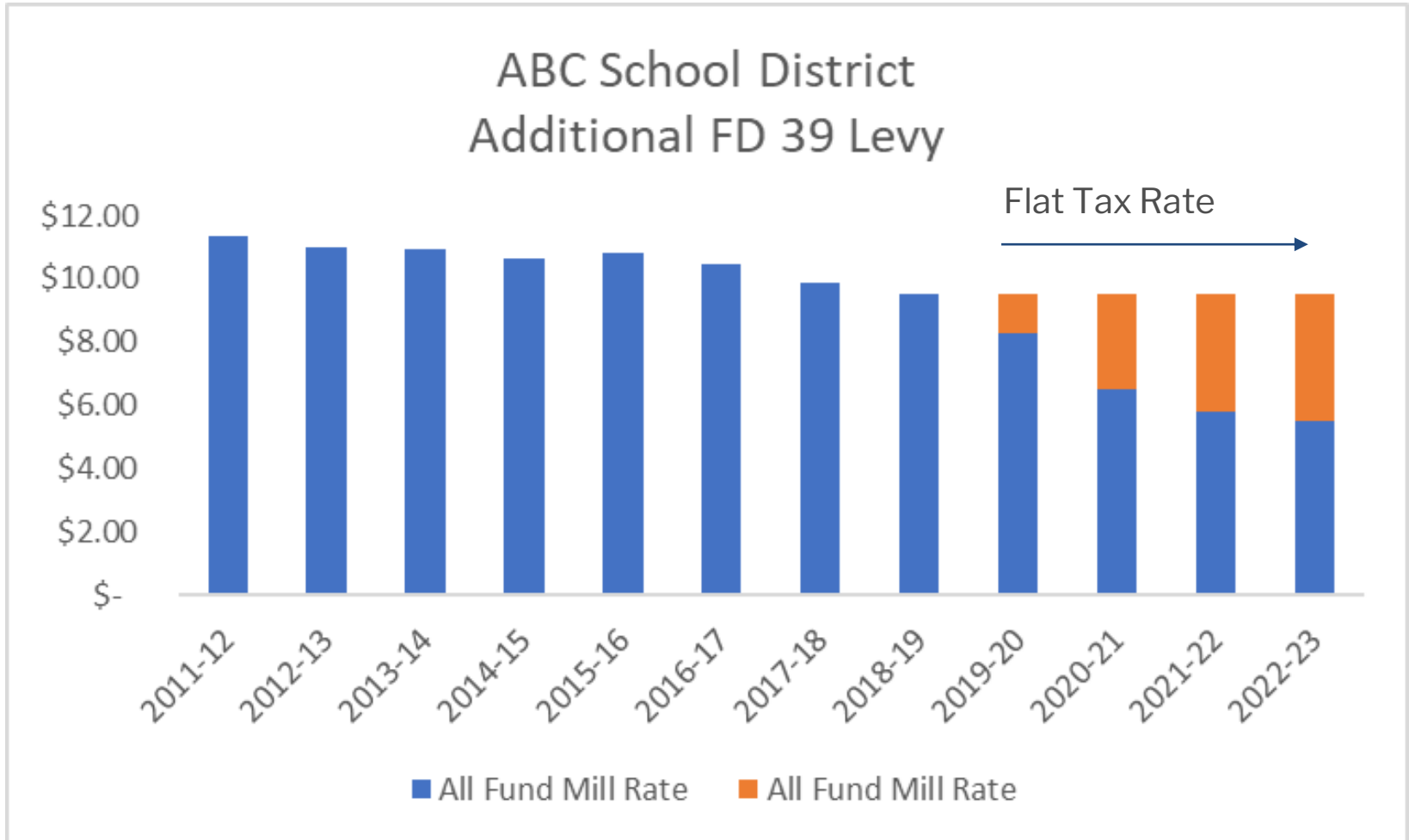




Tax Rate Management

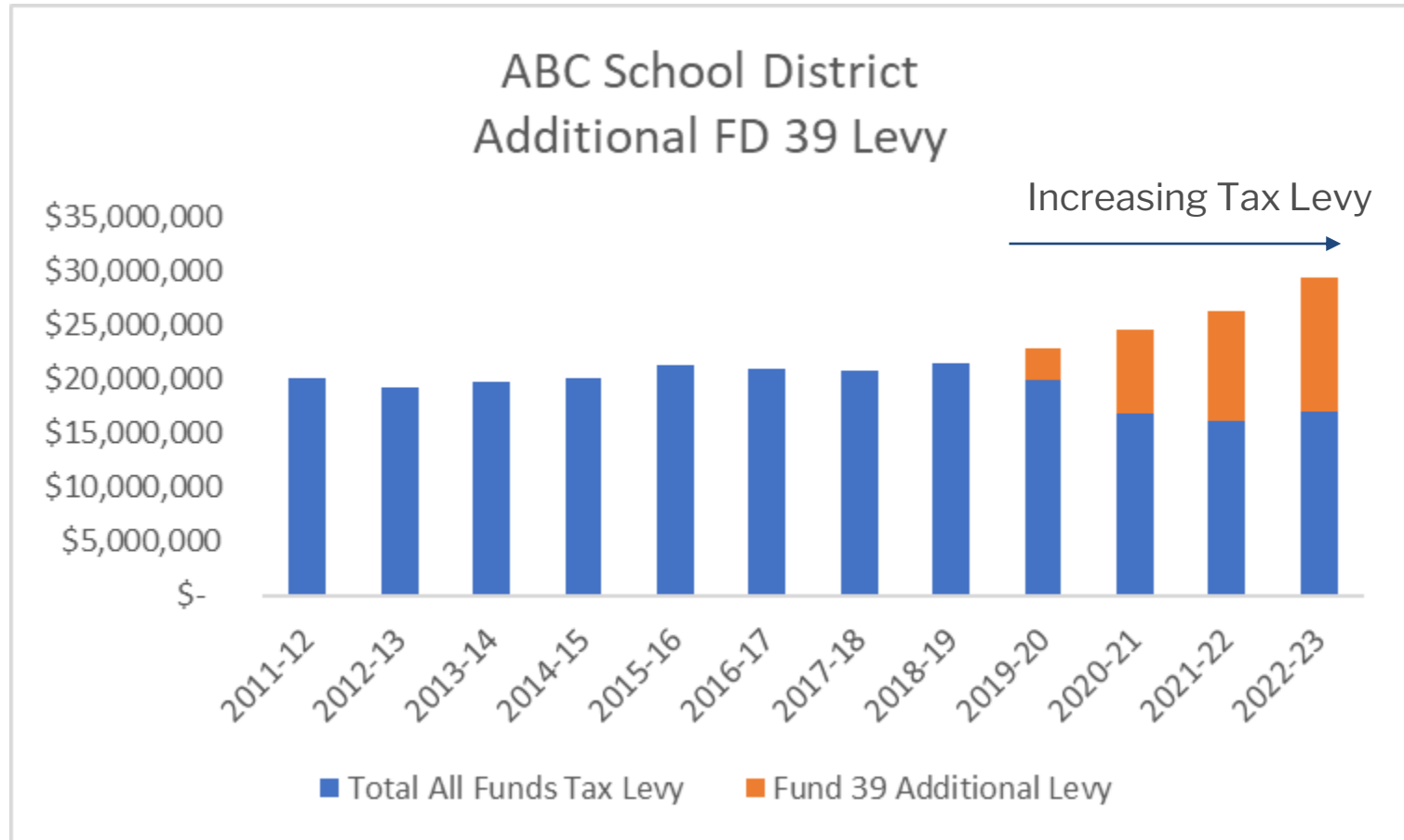


Value of Managing your Tax Levy/Mill Rate





Value of Managing your Tax Levy/Mill Rate





Strategies that Provide Opportunity



Equalization Aid

- July 1 Aid estimate provides first opportunity to project a balancing strategy
 - Aid projected up, levy goes down in FD 10
- October 15 Aid certification provides final opportunity
- July to October provides opportunity to begin discussions related to opportunity



Equalized Value

- Annually by August 15th municipalities certify their values to the Department of Revenue
 - We can begin projecting value increases based upon this data

<https://www.revenue.wi.gov/Pages/Report/soc-eqv.aspx>



Equalized Value

ESTIMATED 2023 Equalized Value Growth

2022 TID OUT EV	EST. GROWTH %	ESTIMATED 2023 TID OUT EV	EST. NNC %	ESTIMATED 2023 NET NEW CONSTRUCTION
\$6,065,848,145	14.51%	\$6,946,075,604	3.72%	\$225,850,135

2023 Estimated Growth %
3.72% Net New Construction
10.79% Inflationary
14.51% Total Growth

District Name	District Nmbr	County	MuniCode	Municipality	2022 TID OUT EV	EST. GROWTH %	ESTIMATED 2023 TID OUT EV	EST. NNC %	ESTIMATED 2023 NET NEW CONSTRUCTION
Verona Area	5901	Dane	13225	C. Fitchburg	1,679,670,033	28.02%	2,150,328,885	3.70%	62,122,941
Verona Area	5901	Dane	13251	C. Madison	225,410,954	10.42%	248,897,076	2.22%	4,996,032
Verona Area	5901	Dane	13286	C. Verona	3,561,165,300	8.20%	3,853,228,800	3.79%	134,998,124
Verona Area	5901	Dane	13038	T. Middleton	19,391,284	10.99%	21,522,566	2.53%	491,397
Verona Area	5901	Dane	13040	T. Montrose	34,932,353	13.24%	39,556,861	0.31%	108,693
Verona Area	5901	Dane	13054	T. Springdale	127,085,621	15.20%	146,402,817	1.34%	1,702,548
Verona Area	5901	Dane	13062	T. Verona	418,192,600	16.25%	486,138,600	5.12%	21,430,400

SOURCES FOR THESE ESTIMATES:

- Wisconsin Department of Revenue: Fall School District Certification of Equalized Values - Tax Apportionment
- Wisconsin Department of Revenue: Report Used for Apportionment of County Levy
- Wisconsin Department of Revenue: Net New Construction

YEAR:

- 2022
- 2023
- 2023



Equalized Value

ESTIMATED 2023 Equalized Value Growth

2022 TID OUT EV	EST. GROWTH %	ESTIMATED 2023 TID OUT EV	EST. NNC %	ESTIMATED 2023 NET NEW CONSTRUCTION
\$3,531,932,064	16.13%	\$4,101,630,767	2.38%	\$83,920,004

2023 Estimated Growth %
 2.38% Net New Construction
 13.75% Inflationary
 16.13% Total Growth

District Name	District Nbr	County	MuniCode	Municipality	2022 TID OUT EV	EST. GROWTH %	ESTIMATED 2023 TID OUT EV	EST. NNC %	ESTIMATED 2023 NET NEW CONSTRUCTION
Oregon	4144	Dane	13225	C. Fitchburg	674,871,368	28.02%	863,976,476	3.70%	24,960,256
Oregon	4144	Dane	13008	T. Blooming Grove	9,394,481	11.42%	10,467,229	0.06%	5,816
Oregon	4144	Dane	13028	T. Dunn	387,764,801	12.97%	438,074,120	0.94%	3,644,527
Oregon	4144	Dane	13040	T. Montrose	5,206,503	13.24%	5,895,764	0.31%	16,200
Oregon	4144	Dane	13042	T. Oregon	560,057,942	10.62%	619,515,837	0.62%	3,482,332
Oregon	4144	Dane	13052	T. Rutland	155,491,725	6.81%	166,082,840	1.66%	2,580,841
Oregon	4144	Dane	13109	V. Brooklyn	106,595,000	11.37%	118,716,400	3.16%	3,372,435
Oregon	4144	Dane	13165	V. Oregon	1,535,356,700	15.32%	1,770,509,600	2.94%	45,118,584
Oregon	4144	Green	23006	T. Brooklyn	49,494,507	14.50%	56,671,825	0.69%	343,871
Oregon	4144	Green	23109	V. Brooklyn	37,020,500	9.00%	40,352,000	0.77%	283,818
Oregon	4144	Rock	53040	T. Union	10,678,537	6.46%	11,368,676	1.04%	111,324

SOURCES FOR THESE ESTIMATES:
 Wisconsin Department of Revenue: Fall School District Certification of Equalized Values - Tax Apportionment
 Wisconsin Department of Revenue: Report Used for Apportionment of County Levy
 Wisconsin Department of Revenue: Net New Construction

YEAR:
 2022
 2023
 2023



Net New Construction

- Annually by August 15th municipalities certify their values to the Department of Revenue for net new construction
- Net new construction are properties within a municipality that are paying taxes for the first time
- Unlike Tech Colleges, we don't receive verified numbers from the Department of Revenue

Net New Construction



Net New Construction

Equalized Value (EV) and Estimated Net New Construction (NNC) Growth

2018 TOTAL EV GROWTH %	2018 EST. NNC GROWTH %	2019 TOTAL EV GROWTH %	2019 EST. NNC GROWTH %	2020 TOTAL EV GROWTH %	2020 EST. NNC GROWTH %	2021 TOTAL EV GROWTH %	2021 EST. NNC GROWTH %	2022 TOTAL EV GROWTH %	2022 EST. NNC GROWTH %	2023 TOTAL EV GROWTH %	2023 EST. NNC GROWTH %
6.65%	3.43%	8.38%	2.28%	5.04%	2.79%	0.88%	2.54%	18.66%	3.03%	11.48%	3.72%
								5-Year Average:		8.72%	2.87%



Net New Construction

Equalized Value (EV) and Estimated Net New Construction (NNC) Growth

2018 TOTAL EV GROWTH %	2018 EST. NNC GROWTH %	2019 TOTAL EV GROWTH %	2019 EST. NNC GROWTH %	2020 TOTAL EV GROWTH %	2020 EST. NNC GROWTH %	2021 TOTAL EV GROWTH %	2021 EST. NNC GROWTH %	2022 TOTAL EV GROWTH %	2022 EST. NNC GROWTH %	2023 TOTAL EV GROWTH %	2023 EST. NNC GROWTH %
7.87%	1.96%	6.25%	2.04%	7.44%	2.05%	10.39%	2.65%	14.74%	2.43%	19.89%	2.38%
								5-Year Average:		11.63%	2.31%



School Levy Credit

Increase



Revenue limit: + \$325 per pupil



Low revenue ceiling Up to \$11,000



Significant new voucher costs



Elimination of High Poverty Aid



Successful operating referenda

Decrease



More Equalization Aid



After Levy: School Levy Tax Credits



Equalization Aid vs School Levy Credits

Both equalization aid & school levy credits ultimately provide property tax relief but how (and to whom) they provide tax relief is different



Equalization Aid vs School Levy Credits

Both equalization aid & school levy credits are included in the calculation of “two-thirds funding” by the state



Purpose of Equalization Aid:

“To minimize the differences among school districts’ abilities to raise revenues for educational programs.”
(LFB Paper #632)



Differing Effects of Equalization Aid and School Levy Credits

Equalization Aid:

Property poor/low spending districts will receive more state support when funds are channeled as equalization aid vs school levy credits



Differing Effects of Equalization Aid and School Levy Credits

School Levy Credits:

Property wealthy/high spending districts will receive more state support when funds are channeled as levy credits rather than equalization aid



Gross and Net Property Taxes:

Total Allowable per Revenue Limit Formula

minus (-)

State Equalization Aid

equals (=)

School District Tax Levy

minus (-)

School Levy Credits

equals (=)

Net Property Taxes

School
District
Responsibility

Municipal
Responsibility



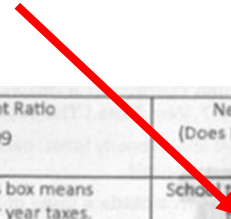
Calculating the School Levy Credit

- SLTC data is not provided to school districts for consideration when setting the tax levy, but it can be estimated with reasonable accuracy
- Upward pressure on the tax levy, and the large increase in SLTC in the state budget make this estimate more important
- School leaders and boards will benefit from understanding the SLTC and should decide how best to use this information



Example Tax Bill

Assessed Value Land	Assessed Value Improvements	Total Assessed Value	Ave Assmt Ratio	Net Assessed Value Rate (Does NOT reflect Lottery Credit)	
115,300	419,500	534,800	.9899	14.0172/M	
Est Fair Mkt Land 116,500	Est Fair Mkt Improvements 423,800	Est Fair Mkt 540,300	A star in this box means unpaid prior year taxes.	School taxes reduced by school levy tax credit: 682.62	
2021 Est. State Aids Allocated Tax District	2022 Est. State Aids Allocated Tax District	2021 Net Tax	2022 Net Tax	% Tax Change	
OCONOMOWOC SCHL 4060 6,437,866	7,165,949	3,365.15	3,767.10	11.9	
WAUKESHA TECH COLLEGE 2,114,061	2,182,171	142.86	144.29	1.0	
CITY OF OCONOMOWOC 1,247,541	1,383,868	2,221.63	2,733.80	23.1	
COUNTY OF WAUKESHA 259,660	264,187	796.38	824.08	3.5	
LACLABELLE LAKE MGMT 22.79			27.11	19.0	
Total	10,059,128	10,996,175	6,548.81	7,496.38	14.5
WARNING: Installment option is lost if not paid by due dates. Total tax will be delinquent and subject to interest & penalty charges. See reverse side for other important information.		First Dollar Credit	63.96	70.16	9.7
		Lottery and Gaming Credit	226.84	230.31	1.5
		Net Property Tax	6,258.01	7,195.91	15.0
Make Check Payable to: CITY OF OCONOMOWOC PO BOX 27 OCONOMOWOC WI 53066	Full Payment Due on or Before January 31, 2023 \$7,390.91	GARBAGE / RECYCLING O T H E R 195.00			
	First Installment Due on or Before January 31, 2023 \$2,440.91				
When paying after July 31, 2023 Make Check Payable to: WAUKESHA COUNTY TREASURER 515 W MORELAND BLVD WAUKESHA WI 53188	Second Installment Due on or Before April 30, 2023 \$2,475.00				
	Third Installment Due on or Before July 31, 2023 \$2,475.00				
FOR INFORMATIONAL PURPOSES ONLY – Voter Approved Temporary Tax Increases:	Taxing Jurisdiction School Referendum 4049	Total Additional Taxes \$1,037,804.80	Total Additional Taxes Applied to Property \$176.99	Year Increase Ends 2038	
The City's mill rate increased \$0.74 per \$1,000 of assessed value due to the Western Lakes Fire District referendum passed on August 9th, 2022.					
Tear at Perforation: Return Bottom Portion with Payment					



1/3 3923





Impact in Verona

- VASD has been strategically prepaying debt in prior years
 - Over \$5M of interest savings
- VASD utilized both SLTC and NNC in tax planning for 2023-24

	Tax Impact	Percentage Increase or Decrease
Levy Increase from Prior Year	+	8.60 %
Net New Construction	—	3.72%
School Levy Credit Increase	—	4.88%
Total Estimated Tax Impact		0% (AVERAGE TAX IMPACT)

Oregon Preliminary Tax Levy to Original

\$38,960,826	Preliminary Total Tax Levy
\$ 240,006	Loss in Additional State Equalization Aid
\$ 80,531	Additional Charter Students (a 73% Increase)
\$ 26,604	Two Additional Students - Spending Authority
<u>\$ 48,816</u>	Additional Misc Changes
\$39,356,783	10.83% Increase from 2022 Levy

Changes in Equalized Values

<u>EQUALIZED VALUE</u>	<u>INC/DECR</u>	<u>INC/DECR</u>
V OREGON	\$235,152,900	15.32%
T BLM GRV	\$1,626,064	17.31%
T DUNN	\$48,896,410	12.61%
T MONTROSE	\$690,939	13.27%
T OREGON	\$57,643,333	10.29%
T RUTLAND	\$13,513,176	8.69%
V BROOKLYN	\$12,121,400	11.37%
C FITCHBURG	\$321,068,356	47.57%
T BROOKLYN	\$7,828,197	15.82%
V BROOKLYN	\$3,331,500	9.00%
T UNION	\$476,601	4.46%
Total Equalized Value	\$702,348,876	19.89%



Percentage Change In Equalized Assessed Values

<u>PERCENT OF DISTRICT EQUALIZED VALUE</u>		
DN	V OREGON	-1.657%
DN	T BLM GRV	-0.006%
DN	T DUNN	-0.666%
DN	T MONTROSE	-0.008%
DN	T OREGON	-1.269%
DN	T RUTLAND	-0.411%
DN	V BROOKLYN	-0.214%
DN	C FITCHBURG	4.413%
GN	T BROOKLYN	-0.048%
GN	V BROOKLYN	-0.095%
RK	T UNION	-0.039%



How the Pie is Split

TAX LEVY PORTION	CHANGE	% CHG
DN V OREGON	\$1,018,409	6.60%
DN T BLM GRV	\$7,972	8.44%
DN T DUNN	\$159,675	4.10%
DN T MONTROSE	\$2,463	4.70%
DN T OREGON	\$109,986	1.95%
DN T RUTLAND	\$7,386	0.47%
DN V BROOKLYN	\$31,625	2.95%
DN C FITCHBURG	\$2,471,179	36.42%
GN T BROOKLYN	\$35,132	7.06%
GN V BROOKLYN	\$2,820	0.76%
RK T UNION	(\$3,689)	-3.44%
TOTAL TAX LEVY	\$3,842,958	10.82%
MILL RATE	(\$0.77)	-7.60%



Tax Levy Impact - Residential Inflation Comparison

<u>TAX LEVY PORTION</u>	<u>Res Inflation</u>
DN V OREGON	11%
DN T BLM GRV	13%
DN T DUNN	12%
DN T MONTROSE	12%
DN T OREGON	11%
DN T RUTLAND	4%
DN V BROOKLYN	9%
DN C FITCHBURG	12%
GN T BROOKLYN	13%
GN V BROOKLYN	9%
RK T UNION	2%

The Tax Rate will go **down** by 7.6%.

Tax Levy Impact - Levy Credit Impact

			95.00%	
<u>TAX LEVY PORTION</u>		<u>CHANGE</u>	<u>OSD Credit Inc</u>	<u>Net Levy Inc</u>
DN	V OREGON	\$1,018,409	\$714,257	\$304,152
DN	T BLM GRV	\$7,972	\$4,731	\$3,241
DN	T DUNN	\$159,675	\$145,264	\$14,411
DN	T MONTROSE	\$2,463	\$2,710	-\$247
DN	T OREGON	\$109,986	\$257,317	-\$147,331
DN	T RUTLAND	\$7,386	\$63,939	-\$56,553
DN	V BROOKLYN	\$31,625	\$50,000	-\$18,375
DN	C FITCHBURG	\$2,471,179	\$562,423	\$1,908,756
GN	T BROOKLYN	\$35,132	\$23,497	\$11,635
GN	V BROOKLYN	\$2,820	\$17,000	-\$14,180
RK	T UNION	(\$3,689)	\$3,832	-\$7,521
			\$1,844,970	\$1,997,988
TOTAL TAX LEVY		\$3,842,958		5.63%

Tax Levy % Impact w/Levy Credit vs Net New Construction

<u>TAX LEVY PORTION</u>		<u>Net % Inc</u>	<u>New Const*</u>	
DN	V OREGON	2.0%	3.0%	\$
DN	T BLM GRV	3.4%	0.0%	
DN	T DUNN	0.4%	1.0%	
DN	T MONTROSE	-0.5%	0.0%	
DN	T OREGON	-2.6%	1.0%	
DN	T RUTLAND	-3.6%	1.0%	
DN	V BROOKLYN	-1.7%	3.0%	\$
DN	C FITCHBURG	28.1%	4.0%	
GN	T BROOKLYN	2.3%	1.0%	
GN	V BROOKLYN	-3.8%	1.0%	
RK	T UNION	-7.0%	1.0%	

Fitchburg... & The Ugliest Spreadsheet I could Find

Date: 08/09/2023

WISCONSIN DEPARTMENT OF REVENUE
2023 STATEMENT OF CHANGES IN EQUALIZED VALUES BY CLASS AND ITEM

EQUAL912WI
PAGE 58 OF 68

County 13 Dane
City 225 Fitchburg

REAL ESTATE	2022 RE Equalized Value	Removal of Prior Year Compensation	% Change	\$ Amount of Economic Change	% Change	\$ Amount of New Constr	% Change	Correction & Compensation	% Change	\$ Amount of All Other Changes	% Change	2023 RE Equalized Value	Total \$ Change in R.E. Value	% Change
Residential														
Land	670,014,800	0	0%	80,372,400	12%	12,506,900	2%	-489,200	0%	-192,300	0%	762,212,600	92,197,800	14%
Imp	2,135,985,800	0	0%	256,337,200	12%	76,400,600	4%	315,600	0%	8,540,000	0%	2,477,579,200	341,593,400	16%
Total	2,806,000,600	0	0%	336,709,600	12%	88,907,500	3%	-173,600	0%	8,347,700	0%	3,239,791,800	433,791,200	15%
Commercial														
Land	364,096,000	0	0%	86,951,300	24%	10,080,500	3%	-3,597,800	-1%	33,994,200	9%	491,524,200	127,428,200	35%
Imp	1,021,425,200	0	0%	245,351,100	24%	64,434,600	6%	1,742,000	0%	133,465,800	13%	1,466,418,700	444,993,500	44%
Total	1,385,521,200	0	0%	332,302,400	24%	74,515,100	5%	-1,855,800	0%	167,460,000	12%	1,957,942,900	572,421,700	41%
Manufacturing														
Land	57,113,900	0	0%	5,679,300	10%	0	0%	0	0%	-324,200	-1%	62,469,000	5,355,100	9%
Imp	270,386,200	0	0%	13,746,100	5%	13,941,100	5%	0	0%	-1,314,200	0%	296,759,200	26,373,000	10%
Total	327,500,100	0	0%	19,425,400	6%	13,941,100	4%	0	0%	-1,638,400	-1%	359,228,200	31,728,100	10%
Agricultural														
Land/Total	2,587,200	0	0%	310,900	12%	0	0%	-1,200	0%	-34,900	-1%	2,862,000	274,800	11%
Undeveloped														
Land/Total	1,448,800	0	0%	120,800	8%	0	0%	10,000	1%	-77,600	-5%	1,502,000	53,200	4%
Ag Forest														
Land/Total	4,207,500	0	0%	495,000	12%	0	0%	0	0%	-142,500	-3%	4,560,000	352,500	8%
Forest														
Land/Total	1,691,500	0	0%	199,000	12%	0	0%	0	0%	0	0%	1,890,500	199,000	12%
Other														
Land	7,800,000	0	0%	487,500	6%	0	0%	0	0%	0	0%	8,287,500	487,500	6%
Imp	17,465,900	0	0%	3,756,000	22%	150,500	1%	839,600	5%	-2,700	0%	22,209,300	4,743,400	27%
Total	25,265,900	0	0%	4,243,500	17%	150,500	1%	839,600	3%	-2,700	0%	30,496,800	5,230,900	21%
Total Real Estate														
Land	1,108,959,700	0	0%	174,616,200	16%	22,587,400	2%	-4,078,200	0%	33,222,700	3%	1,335,307,800	226,348,100	20%
Imp	3,445,263,100	0	0%	519,190,400	15%	154,926,800	4%	2,897,200	0%	140,688,900	4%	4,262,966,400	817,703,300	24%
Total	4,554,222,800	0	0%	693,806,600	15%	177,514,200	4%	-1,181,000	0%	173,911,600	4%	5,598,274,200	1,044,051,400	23%
PERSONAL PROPERTY														
		Non-Mfg Personal Property			Manufacturing Personal Property			Total of All Personal Property						
		2022	2023	% Change	2022	2023	% Change	2022 Total	2023 Total	Tot. \$ Chg in PP	% Change			
Watercraft		66,600	47,000	-29%	23,800	23,900	0%	90,400	70,900	-19,500	-22%			
Machinery Tools & Patterns		0	0	N/A	55,842,100	58,082,200	4%	55,842,100	58,082,200	2,240,100	4%			
Furniture Fixtures & Equip		28,767,900	39,124,500	36%	15,082,100	20,869,400	38%	43,850,000	59,993,900	16,143,900	37%			
All Other		10,120,200	12,831,900	27%	4,091,100	4,203,000	3%	14,211,300	17,034,900	2,823,600	20%			
Prior Year Compensation		-3,900	-413,700		0	0		-3,900	-413,700	-409,800				
Total Personal Property		38,950,800	51,589,700	32%	75,039,100	83,178,500	11%	113,989,900	134,768,200	20,778,300	18%			
TOTAL EQUALIZED VALUE		2022 Total								2023 Total		Total \$ Change	% Change	
Real Estate & Personal Property		4,668,212,700								5,733,042,400		1,064,829,700	23%	



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