

REFERENDUM QUESTION & ANSWER

Help me understand “mill rate” and how a potential referendum would apply to a District taxpayer.

Mill rate is the term for the equation used to determine the share of taxes on an individual property. It is calculated by dividing the total amount of the levy by the equalized property value of the entire District. Below is an example used in our survey and task force meetings.

Paying for a \$24.5 million referendum will require ~\$450,000 more per year over the current levy. The District property value (equalized value) is currently \$515,953,109. Thus:
$$\$450,000 \text{ (additional levy)} / \$515,953,109 \text{ (total District property value)} = 0.00080.$$

Once calculated, a taxpayer can apply this rate (the mill rate) to their personal property value to approximate their proportionate share of the levy.*

Example: “Property Owner A” has a property value of \$172,000. The incremental cost would be $0.0080 \times \$172,000 = \137 annually, or \$11.42 per month.

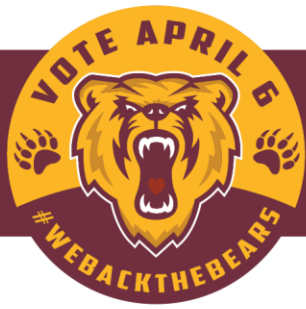
Oftentimes, this equation is simplified by multiplying by 1,000 to arrive at the “mill rate per \$1000 of equalized value.” In the above example, using the same set of numbers, “Property Owner A” would use the value of the property in thousands (\$172 as opposed to \$172,000) and multiply by 0.80 to get to the same result of an annual increase of \$137.

*A Tax Impact Calculator is available on the District website.

The survey analysis done by School Perceptions really discounted the staff and parent responses when calculating projected support for a referendum (page 36 of 38 in the survey analysis PowerPoint on the District website). Why is that the case?

School Perceptions has experience with thousands of referendum questions in Wisconsin and Minnesota. They have found that, statistically, voter demographics for a typical school referendum are 75% non-parent/non-staff voters and 25% district staff/parents. School Perceptions statistical analysis takes into consideration this factor when projecting the level of support that is likely to be seen on election day. Although the survey had a much higher percentage of respondents who are staff and parents, statistically the population assumptions that hold true on election day are that the majority of voters are non-staff and non-parent. Thus, the analysis puts significantly more weight on those respondents.





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Why didn't the school plan for these infrastructure needs in advance and live within its means?

A referendum **is** the means by which the State of Wisconsin expects schools to make larger investments in their infrastructure, outside of state-governed revenue limits and operational budgets. To this point, over the last five years, there have been 564 referendum questions statewide, and there are 446 public school districts in Wisconsin. This equates to more than one question per district in the last five years.

Why is the District pursuing a referendum now?

We are very cognizant and empathetic to the negative financial implications of COVID. We are also aware that the challenges of our school buildings are not going away, and issues, if not addressed, will only escalate. The District conducted a community-wide survey in November that indicated strong support for updating our facilities through a referendum. We were reassured by the validity of the response coming in the midst of the pandemic, not before. Because interest rates are at historic lows, construction costs will continue to escalate if problems are deferred, and we have an operating referendum dropping off, this makes it an opportune time to invest in our schools.

Does the District have a business model for the proposed child care?

Yes, the facility will be run as a traditional child care business, open year-round with accommodating hours for working families. The facility will be available to all residents with traditional child care fees required. The goal is to be self-sustaining through fees while providing vital service to growing families in the community.

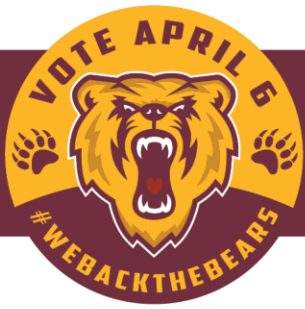
What is the anticipated capacity of the proposed child care facility?

This 5,000-square-foot addition to Woodland Elementary School would serve our families by providing capacity for more than 100 children from infant through school age. This facility would be open year-round, provide 12 hours of daily care, and be staffed by 20 employees to meet the needs of our children. The business plan for this project is being created in partnership with local child care facilities within our District so that, together, we can meet the child care needs of our community. This need for additional child care in our area was identified in two surveys: the first was a housing survey done by our Economic Development Corporation, and the second was completed by our Barron Area School District administrative team.

Are the projects being pursued by the city and county going to increase our taxes?

From discussions with Barron County and the City of Barron, it is our understanding that the City of Barron does not intend to increase taxes to build the proposed new city hall and street shop. Rather the City will be using sale proceeds of the current facility and existing debt structure to facilitate the building.





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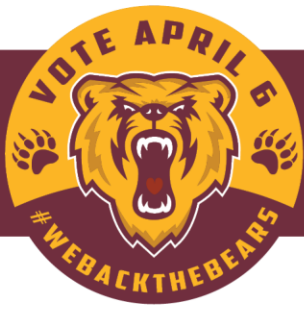
Will the current operational referendum need to be renewed?

No, we are not asking for a renewal of the current operating referendum. The District has used the operating referendum funds annually to address deferred maintenance and improvements. We will no longer need the operating referendum funding if we are able to address the infrastructure and school safety challenges we face through a facilities referendum. Addressing the obsolete infrastructure will also yield energy efficiencies and require significantly fewer resources for troubleshooting and 'patching' to maintain service, freeing up operating monies.

What updates are proposed to the current High School stage to provide usable multi-purpose/wrestling space?

Currently the stage houses wrestling practice, volleyball practice courts, and softball/baseball batting cages. Those activities are interrupted by any activity held in the gymnasium. In current plans, the stage will remain, but a partition would be added to create an independent space for said activities.

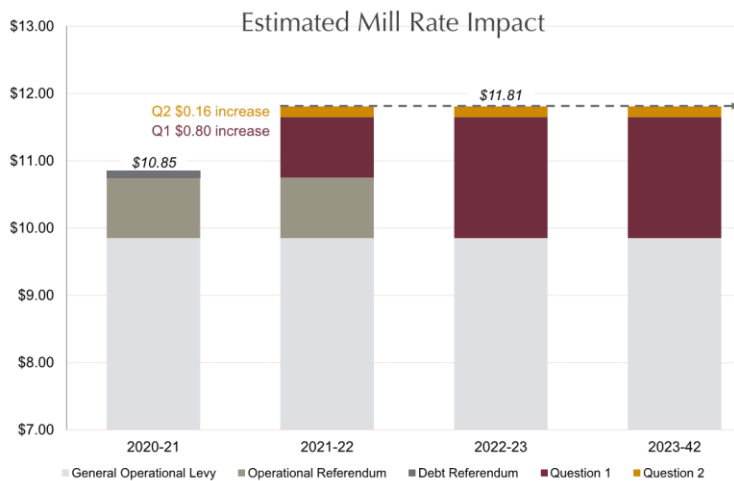




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Why are the tax increases for Question 1 and Question 2 not proportional?

The impacts of Question 1 and Question 2 appear disproportionate to their values because the impact of Question 1 factors in “deductions” or “credits” due to the drop-off of existing debt (see graph below). To use an analogy, if a customer brought a \$1 off coupon to a retail store and purchased two items, the cashier might apply the coupon discount to item 1. Though no discount was applied to item 2, the customer still realizes the full \$1 value of the discount. Please feel free to contact the District Office to see our financing plans in detail to best understand the dynamic discussed.



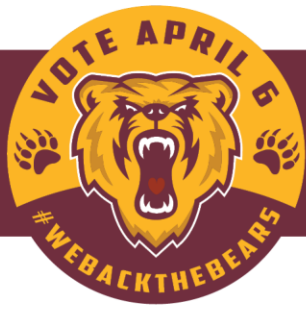
Will the current partnership with the BACC be impacted?

The Barron Area School District (BASD) and the Barron Area Community Center (BACC) have had a contractual partnership since the early 1990s and continue to have a strong working relationship. The BACC affords BASD students many opportunities that would not be readily available otherwise. Regardless of a referendum, the BASD and the BACC find many mutual benefits, and our partnership will continue.

Explain the state aid impact on the District.

Our District taxpayers are in an advantageous position with regard to the State Equalization Aid calculations. In summary, because of the District’s property value per pupil, our District is “positively aided.” Approximately 46% of District expenditures are reimbursed via the Equalization Aid formula. This percentage also holds true on referendum debt payments. Therefore, the District taxpayers are the beneficiary of incurring only the inverse (54%) of the debt obligations to invest in our schools. Other districts can be penalized in State Equalization Aid calculations for going to referendum and need to ask taxpayers for excess in debt obligations to make up for lost state aid.





REFERENDUM QUESTION & ANSWER

When was the last successful facilities referendum?

The last facilities referendum to address significant building needs was passed in the 1997-98 school year and included an addition to Woodland Elementary School for classrooms, an addition at RVMS for encore classes (art, band, FACE), and a commons addition at BHS.

Why does the District need additional gym space?

The District has found a challenge in the scheduling of classes and student athlete practices, often necessitating early-morning and late-night practice times. Similarly sized (and some smaller) school districts generally have more than one competition-sized floor at the high school site. From a bleacher accessibility perspective, especially handicapped-accessible, our gym needs significant improvements. Estimates indicate that it is more cost effective to create a new competition gymnasium space and leave the existing gym intact than to demolish the cement bleachers that serve as housing for the mechanical room underneath, demolish the stage, and fully renovate. Our community has also voiced the need for a site to hold local tournaments and events. One playing floor is not adequate for a basketball, volleyball, or wrestling event.

With declining enrollment, why does the District need more space?

The referendum challenges and solutions do not include significant space addition. Rather, many of the challenges involve aging infrastructure and safety improvements within our existing footprint. While there are several “right-sizing” space-reconfiguration initiatives in the proposal, the driving need behind the referendum is to preserve the integrity of the existing buildings.

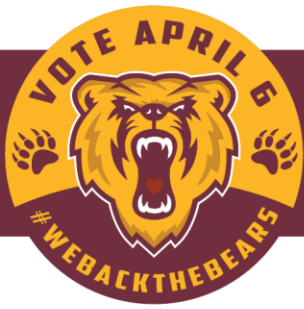
Why does the District need to go to referendum to pay for improvements?

School funding is limited by a state-imposed revenue limit. The District cannot borrow additional funds without voter approval. It is very common for Wisconsin schools to go to referendum for major improvement projects. In fact, in 2020, 47 school districts asked voters to vote on referendum questions for facility improvements.

Why not refurbish the existing heating systems as opposed to replacing?

Most of our HVAC systems are original to the buildings, making them more than 60 years old and far exceeding their useful lives. Our facilities team has done a great job maintaining the systems to maximize their use, but refurbishing is no longer an option. Four of our five buildings needed HVAC repairs this year. Due to the age of the equipment, finding parts and service has become almost impossible, and repairs are very costly for the District. With the change in seasons, each system requires a rebalance, which also brings additional challenges and cost. New HVAC systems are digital and do not require rebalancing.





REFERENDUM QUESTION & ANSWER

When were the District buildings originally built?

We are proud that **ALL of our school buildings** have served our communities for more than a half of century. We have a history of great facilities team members who do an admirable job maintaining our buildings.

Almena Elementary School: 1960

Ridgeland-Dallas Elementary School: 1957

Woodland Elementary: 1954

Riverview Middle School: 1963

Barron High School: 1958

When will the project be complete?

If voters approve the referendum, the design process would start immediately in April. We are planning to break ground in Spring of 2022 and phase construction until August 2023. Here is our preliminary design and construction timeline:

Preliminary Timeline

