

DETROIT LAKES PUBLIC SCHOOLS

Public Hearing

2020-2021 Budget &

Proposed Property Tax Levy Payable 2021

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December 21, 2020 6:00 PM

Detroit Lakes City Chambers

Agenda for Budget and Levy Public Hearing

1. Review 2020-2021 Budget
2. Review Property Tax Levy Payable 2021 for School Year 2021-2022
3. Public Comment

Current Year Budget

School Year 2020-2021

Budget for School Year 2020-2021

	<u>7/1/2020</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>6/30/2021</u>	<u>Difference</u>
General Fund	\$ 10,193,122	\$ 34,517,353	\$ (35,269,876)	\$ 9,440,599	\$ (752,523)
Transportation Fund	936,287	2,566,692	(2,624,721)	878,258	(58,029)
Operating Capital Fund	3,587,471	802,142	(802,142)	3,587,471	-
Long Term Facilities Maint	(2,158,069)	1,251,214	(314,127)	(1,220,982)	937,087
Food Service Fund	697,048	1,833,408	(1,852,499)	677,957	(19,091)
Community Education Fund	387,562	1,169,346	(1,217,814)	339,094	(48,468)
Building Fund	30,815,661	504,644	(25,677,671)	5,642,634	(25,173,027)
Debt Service Fund	313,191	3,900,696	(3,602,156)	611,731	298,540
Custodial Funds	86,396	5,000	(5,000)	86,396	-
Student Activities	212,694	395,720	(356,095)	252,319	39,625
Total All Funds	\$ 45,071,363	\$ 46,946,215	\$ (71,722,101)	\$ 20,295,477	\$ (24,775,886)

Property Taxes Payable 2021

For School Year 2021-2022

Property Taxes

➤ What makes up your property tax bill

- County
- City/Township
- School District
- Special Taxing Districts – Watershed & EDA
- Special Assessments
- Solid Waste Fee

What impacts your tax bill

- Change in value of your property
- Tax classification of your property
- Levy changes by District and other governments
- Legislative Changes

VALUATION NOTICE

2021

2020 Values for Taxes Payable in

Property tax notices are delivered on the following schedule:

Step	Valuation and Classification Notice	
1	Class: Residential Homestead	See Details Below.
	Estimated Market Value: \$150,000	
	Homestead Exclusion: \$23,800	
	Taxable Market Value: \$126,200	

Step	Proposed Taxes Notice	
2	2021 Proposed Tax:	Coming November 2020

Step	Property Tax Statement	
3	1st Half Taxes:	
	2nd Half Taxes:	Coming March 2021
	Total Taxes Due in 2021:	

Know Your Valuation

- Property classification and market value
- Sent Spring 2020; cannot change
- Watch for 2021 statement in SPRING and where to appeal

EFFECTIVE TAX RATES

Property Classification Rates set in statute by Legislature and Governor and result in range of Effective Tax Rates:

Property Classification	2016 Estimate (Net Taxes/Market Value)
Farm	0.52%
Seasonal Rec	1.01%
Residential Homestead	1.28%
Apartment	1.73%
Public Utility	2.93%
Commercial-Industrial	3.66%

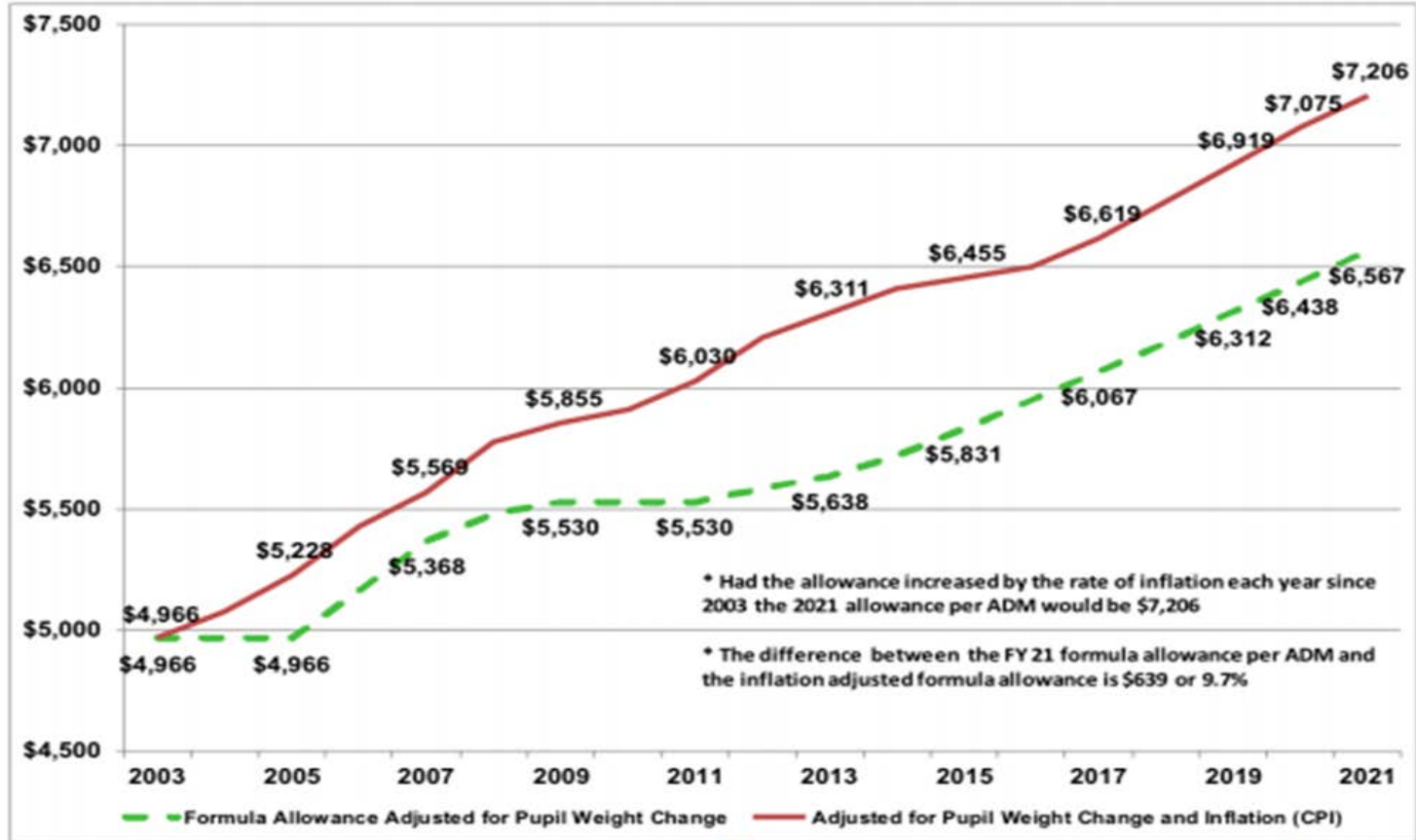
Market Value x Class Rate = Taxable Value (NTC)

(Source: MN Dept. of Revenue)

SHARE OF TAX LIABILITY

Property Classification	Market Value Share (2019 Assessment)	Share of Net Taxes (Payable in 2020)
Farms	18%	7%
Seasonal Rec Residential	4%	3%
Commercial and Industrial	14%	32%
Residential Homes	50%	44%
Other Residential	14%	14%

General Education Formula Allowance, 2003-2021 Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE August 2019 Inflation Estimates



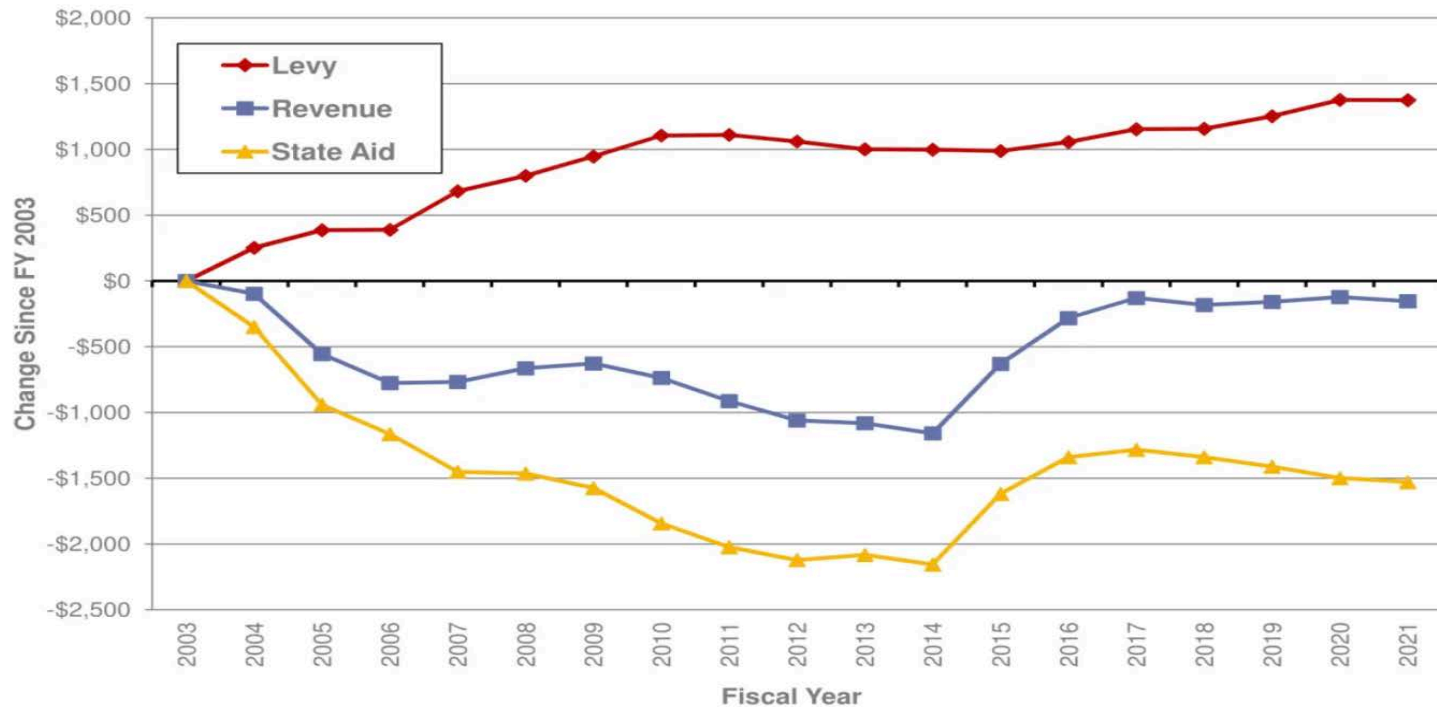
Association of Metropolitan School Districts



Funding trails inflation by **\$639 per pupil** since 2003, **\$568 million** annually.

Statewide Aid, Levies, Revenue

Constant FY 2020 Dollars Per Pupil



mreavoice.org

**Increases in Local Operating Referendum
needed to replace decline in formula buying power.**

Proposed Levy – General Fund

Referendum Market Value

<u>Fund / Levy Category</u>	<u>Actual Levy Fiscal 20-21 Pay 2020</u>	<u>Proposed Levy Fiscal 21-22 Pay 2021</u>	<u>Difference</u>	<u>% Change</u>
General Fund				
Referendum Market Value				
Voter Approved Referendum	\$ -	\$ -	\$ -	0%
Voter Approved Referendum Prior Year Adjustment	-	-	-	0%
Board Approved Referendum	-	-	-	0%
Board Approved Referendum Prior Year Adjustment	(16,298)	-	16,298	-100.00%
Location Equity Revenue	(20,065)	7,640	27,705	-138.08%
Local Option Revenue	2,023,703	2,050,926	27,223	1.35%
Local Option Revenue Prior Year Adjustment	6,360	(6,195)	(12,555)	-197.41%
Equity	549,990	545,630	(4,360)	-0.79%
Equity Prior Year Adjustment	(4,962)	(776)	4,186	-84.37%
Transition	29,181	28,946	(236)	-0.81%
Transition Prior Year Adjustment	(286)	(35)	251	-87.69%
Total General Fund Referendum Mkt Value	\$ 2,567,623.55	\$ 2,626,135.71	\$ 58,512	2.33%

Proposed Levy – General Fund

Net Tax Capacity

Fund / Levy Category	Actual Levy Fiscal 20-21 Pay 2020	Proposed Levy Fiscal 21-22 Pay 2021	Difference	% Change
General Fund				
Net Tax Capacity - Other				
Operating Capital	\$ 281,892	\$ 305,981	\$ 24,089	8.55%
Operating Capital Prior Year Adjustment	(10,298)	935	11,233	-109.08%
Q-Comp	289,462	296,055	6,593	2.28%
Q-Comp Adjustment	3,477	(689)	(4,166)	-119.81%
Achievement & Integration	83,414	95,809	12,395	14.86%
A & I Prior Year Adjustment	(33,711)	7,071	40,782	-120.98%
Safe School Levy	118,570	117,612	(958)	-0.81%
Safe School Prior Year Adjustment	(900)	(3,702)	(2,801)	311.12%
Re-employment	7,500	30,000	22,500	300.00%
Re-employment Prior Year Adjustment	(10,568)	16,260	26,828	-253.86%
OPEB	147,418	157,992	10,574	7.17%
OPEB Prior Year Adjustment	-	-	-	0.00%

Proposed Levy – General Fund

Net Tax Capacity (Continued)

Fund / Levy Category	Actual Levy Fiscal 20-21 Pay 2020	Proposed Levy Fiscal 21-22 Pay 2021	Difference	% Change
General Fund				
Net Tax Capacity - Other				
Career Technical	170,375	170,375	-	0.00%
Career Technical Prior Year Adjustment	2,996	1,332	(1,663)	-55.52%
Health and Safety	-	-	-	0.00%
Health and Safety Prior Year Adjustment	-	-	-	0.00%
Deferred Maintenance	-	-	-	0.00%
Deferred Maintenance Prior Year Adjustment	-	-	-	0.00%
LTFMR	1,028,423	952,797	(75,625)	-7.35%
LTFMR Prior Year Adjustment	(12,213)	(1,138)	11,075	-90.68%
Building Lease	209,936	179,777	(30,159)	-14.37%
Building Lease Prior Year Adjustment	(3,300)	(15,225)	(11,925)	361.36%
Econ. Dev. Abatements	-	-	-	0.00%
Misc. Prior Year Adjustment	(29,500)	(132)	29,368	-99.55%
Other Net Tax Capacity	\$ 2,242,972	\$ 2,311,111	\$ 68,139	15 3.04%

Proposed Levy – General Fund Total

Fund / Levy Category	Actual Levy Fiscal 20-21 Pay 2020	Proposed Levy Fiscal 21-22 Pay 2021	Difference	% Change
General Fund				
Total General Fund Levy	\$ 4,810,595.39	\$ 4,937,246.75	\$ 126,651.36	2.63%

Proposed Levy – Community Service

Fund / Levy Category	Actual Levy	Proposed Levy	Difference	% Change
	Fiscal 20-21 Pay 2020	Fiscal 21-22 Pay 2021		
Community Service				
Basic Community Education	\$ 127,992	\$ 127,992	\$ -	0.00%
Basic Community Education Prior Year Adjustment	-	-	-	0.00%
ECFE	80,631	81,736	1,106	1.37%
ECFE Prior Year Adjustment	602	132	(471)	-78.15%
Home Visits	1,656	1,792	136	8.23%
Misc. Prior Year Adjustments	(29)	24	52	-182.35%
Abatement	(2,301)	(35)	2,266	-98.48%
Total Community Education	\$ 208,551	\$ 211,641	\$ 3,090	1.48%

Proposed Levy – Debt Service

Fund / Levy Category	Actual Levy	Proposed Levy	Difference	%
	Fiscal 20-21 Pay 2020	Fiscal 21-22 Pay 2021		
Debt Service				
Voter Approved	\$ 3,339,296	\$ 3,341,133	\$ 1,837	0.06%
Facility Maint Bonds - From LTFM		\$ 84,867	\$ 84,867	100.00%
Abatement	439,425	440,948	\$ 1,523	0.35%
Total Debt Service	\$ 3,778,721	\$ 3,866,948	\$ 88,227	2.33%

Increase in AG BOND CREDIT

Payable Year	Percent Increase	Total Credit Percent
2021	5%	55%
2022	5%	60%
2023	10%	70%


\$51.8 million state share in school bonds

Find Your Ag2School Credit

Truth in Taxation Notice:

- Calculated on each parcel statement
- Sum all parcels for total
- Because paid by state, it does not show up on Levy Certification Report

PROPOSED TAXES 2021			
THIS IS NOT A BILL. DO NOT PAY.			
Step 1	VALUES AND CLASSIFICATION		
	<u>Taxes Payable Year</u>	<u>2020</u>	<u>2021</u>
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
Class	Res NHmstd	Res Hmstd	
Step 2	PROPOSED TAX		
	Property Taxes before credits	\$1,479.52	
	School building bond credit	\$ 12.00	
	Agricultural market value credit		
	Other credits		
Property Taxes after credits	\$1,467.52		
Step 3	PROPERTY TAX STATEMENT		
	Coming in 2021		
The time to provide feedback on PROPOSED LEVIES is NOW			
It is too late to appeal your value without going to Tax Court.			



Proposed Levy – District Wide

	Actual Fiscal 20-21 Pay 2020	Proposed Fiscal 21-22 Pay 2021
General Fund	\$ 4,810,595.39	\$ 4,937,246.75
Community Service	\$ 208,550.92	\$ 211,640.66
Debt Service	\$ 3,778,721.00	\$ 3,866,948.24
Total Levy	\$ 8,797,867.31	\$ 9,015,835.65
Difference	\$ 217,968.34	
Percentage Change	2.48%	

Budget and Levy Hearing Property Taxes Payable 2021

Public Comment & Questions

Thank you for attending this hearing

Close Hearing