



Truth in Taxation 2024 Proposed Property Tax Levy

Monticello Public Schools
District Office
December 4, 2023
6:00 pm

Email: tina.burkholder@monticello.k12.mn.us

Truth in Taxation Timeline

2023 Payable 2024 Levy

- For -

2024-2025 School Year

- Or -

FY2025



Truth in Taxation Law

- State law initially approved in 1988
- Amended in 2009
- Requirements
 - Counties must send out “proposed property tax statements” between November 11-24, based on preliminary tax levies set by all taxing jurisdictions (counties, cities, townships, school districts, etc.)
 - Taxing jurisdictions must present information and receive comments from audience at a regularly scheduled meeting between November 25 and December 26 at 6:00pm or later
 - Adopt final payable levy by December 28



Truth in Taxation Hearing

- State law requires that school districts present information on the current year budget
- State law also requires that we present information on the proposed property tax levy, including:
 - The percentage increase or decrease from the prior year
 - Specific purposes and reasons for which taxes are being increased
- District must also allow for public comment



Budget Cycle vs. Tax Levy

Unlike cities and counties, a school district does not set its budget when setting the tax levy

- Budget
 - School fiscal year is July 1 through June 30
 - Final budget approved in June, 6 months later
 - Mid-year budget revisions in January
- Property Tax Levy
 - Final levy set in December
 - Property taxes levied on a calendar year basis



Budget Cycle vs. Tax Levy

Change in tax levy does not determine a change in budget

Tax levy is based on many state-determined formulas plus voter approved referendums

Some increases in tax levies are revenue neutral, offset by reductions in state aid

Expenditure budget is limited by state-set revenue formulas, voter-approved levies & fund balance

An increase in school taxes does not always correlate to an equal increase in budget



Budget Information

Because approval of the budget lags behind certification of the tax levy by six months, only current year budget information will be presented at this hearing



Budget Information

- All school district budgets are divided into separate funds, based on purposes of revenue, as required by law
- For Monticello Public Schools:
 - General fund (includes the Special Ed Cooperative)
 - Food Service fund
 - Community Service fund (includes the Hockey fund)
 - Debt Service fund
 - Internal Service fund
 - OPEB Trust fund




2023-2024 Adopted Budget

	6/30/2023 Audited Balance	Revenues	Expenditures	6/30/2024 Projected Balance
General Fund	7,421,405	68,235,412	67,136,552	8,520,265
Food Service	907,161	2,912,292	2,797,672	1,021,781
Community Service	444,258	4,856,120	4,746,365	554,013
Debt Service	1,794,246	2,782,137	3,653,075	923,308
Internal Service	228,675	623,018	609,123	242,570
OPEB Trust	1,308,932	1,413,656	1,572,050	1,150,538
Total	12,104,677	80,822,635	80,514,837	12,412,475

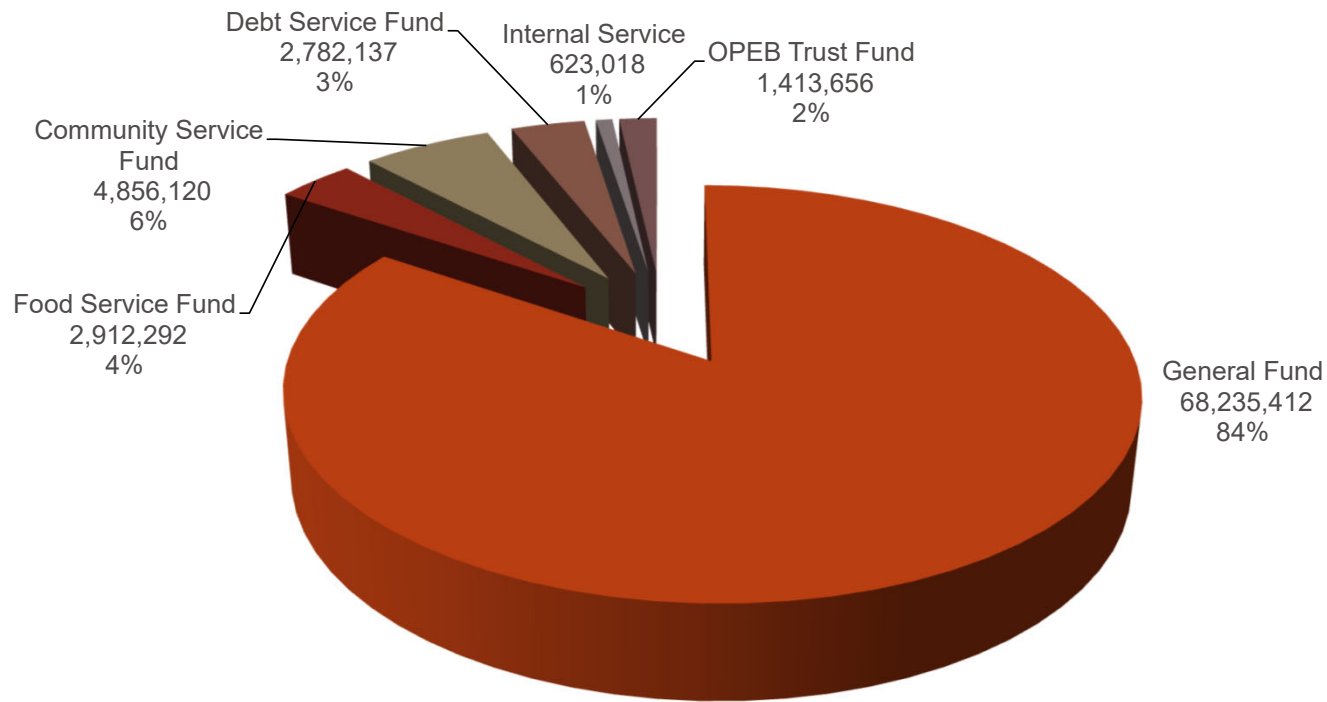


2023-2024 Budget Form

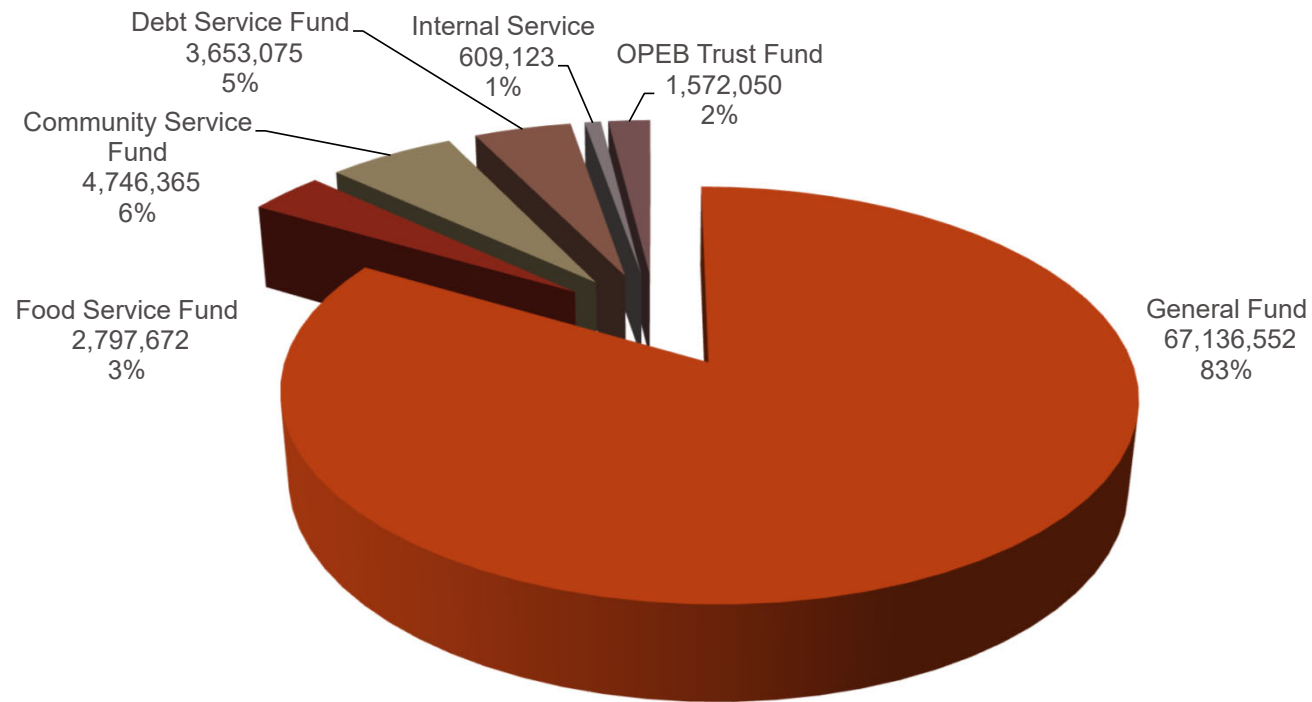
		Division of School Finance 400 NE Stinson Blvd. Minneapolis, MN 55413		District Revenues and Expenditures Budget for Fiscal Year (FY) 2023 and FY 2024			ED-00110-46
General Information: Minnesota Statutes 2021, section 123B.10, requires that every school board shall publish the subject data of this report.							
District Name:		Monticello Public Schools				District Number:	
						0882-01	
Fund	FY 2023 Beginning Fund Balances	FY 2023 Actual Revenues and Transfers In	FY 2023 Actual Expenditures and Transfers Out	June 30, 2023 Actual Fund Balances	FY 2024 Budget Revenues and Transfers In	FY 2024 Budget Expenditures and Transfers Out	June 30, 2024 Projected Fund Balances
General Fund/Restricted	\$ 2,721,845	\$ 4,311,691	\$ 4,465,207	\$ 2,568,329	\$ 4,628,815	\$ 4,531,201	\$ 2,665,943
General Fund/Other	\$ 5,087,428	\$ 58,780,334	\$ 59,014,686	\$ 4,853,076	\$ 63,606,597	\$ 62,605,351	\$ 5,854,322
Food Service Fund	\$ 1,112,379	\$ 2,927,000	\$ 3,132,218	\$ 907,161	\$ 2,912,292	\$ 2,797,672	\$ 1,021,781
Community Service Fund	\$ 709,122	\$ 4,789,425	\$ 5,054,289	\$ 444,258	\$ 4,856,120	\$ 4,746,365	\$ 554,013
Building Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	\$ 1,723,919	\$ 3,723,652	\$ 3,653,325	\$ 1,794,246	\$ 2,782,137	\$ 3,653,075	\$ 923,308
Trust Fund	\$ 2,448,061	\$ 179,818	\$ 158,435	\$ 2,469,444	\$ -	\$ -	\$ 2,469,444
Internal Service Fund	\$ 198,649			\$ 228,675			\$ 228,675
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund	\$ 1,459,784	\$ 2,058,924	\$ 2,209,776	\$ 1,308,932	\$ 1,413,656	\$ 1,572,050	\$ 1,150,538
OPEB Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - All Funds	\$ 15,461,187	\$ 76,770,844	\$ 77,687,936	\$ 14,574,121	\$ 80,199,617	\$ 79,905,714	\$ 14,868,024
Long-Term Debt				Current Statutory Operating Debt per Minnesota Statutes, section 123B.81			
Outstanding July 1, 2022	\$ 43,215,000			Amount of General Fund Deficit, if any, in excess of 2.5% of expenditures 06/30/2023		\$ -	
Plus: New Issues	\$ -						
Less: Redeemed Issues	\$ 2,325,000			Cost per student - Average Daily Membership (ADM) 06/30/2023			
Outstanding June 30, 2023	\$ 40,890,000						
Short-Term Debt				Total Operating Expenditures		\$ 69,761,837.50	
Certificates of Indebtedness	\$ -			FY 2023 Total ADM Served + Tuitioned Out ADM + Adjusted Extended ADM		4,182.31	
Other Short-Term Indebtedness	\$ -			FY 2023 Operating Cost per ADM		\$ 16,680.22	
The complete budget may be inspected upon request to the superintendent.							
Comments: The 2022-23 audit is pending School Board approval at the December 4th School Board meeting. The General Fund includes expenditures related to the Sherburne & Northern Wright Special Education Cooperative. The General Fund/Other Fund Balance includes the Nonspendable, Committed, and Assigned Fund Balances. The General Fund's 22-23 Unassigned/Nonspendable Fund Balance is \$4,227,709 which represents 8.12% of expenditures, when you exclude \$11,442,229 of the Cooperative's expenditures.							
* Other Post-Employment Benefits (OPEB)							



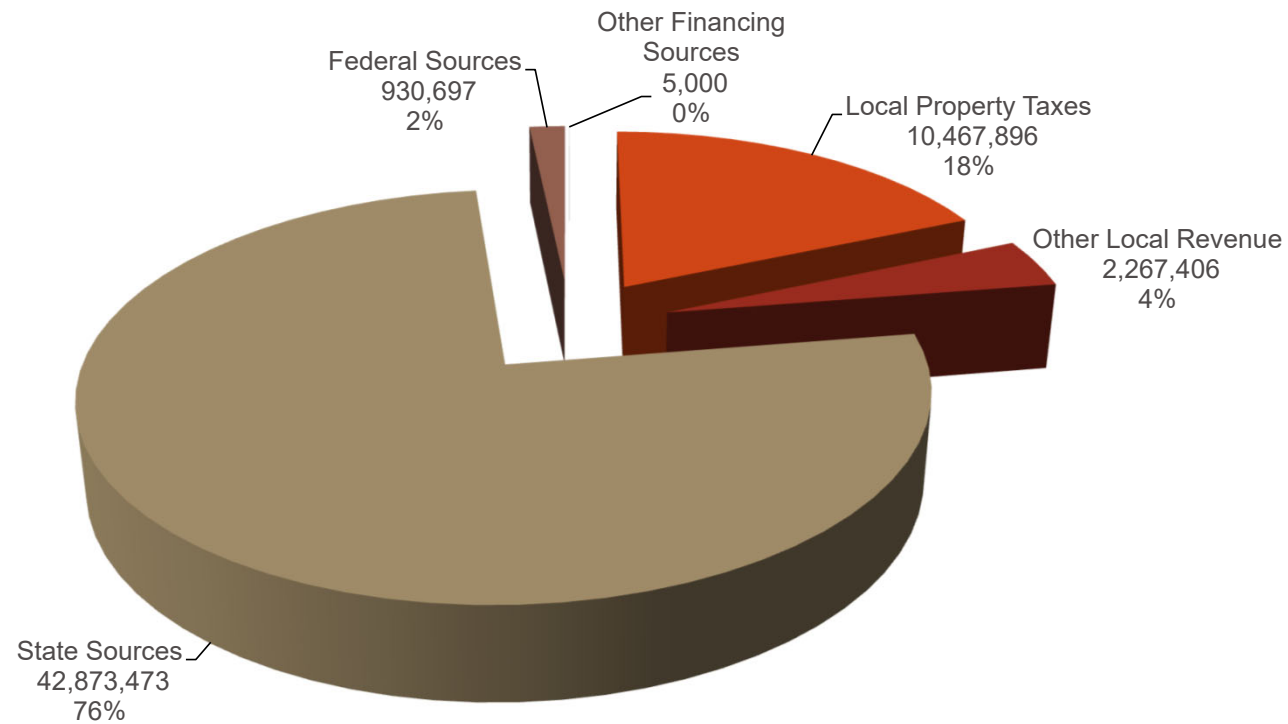
2023-2024 Revenue Budget



2023-2024 Expenditure Budget



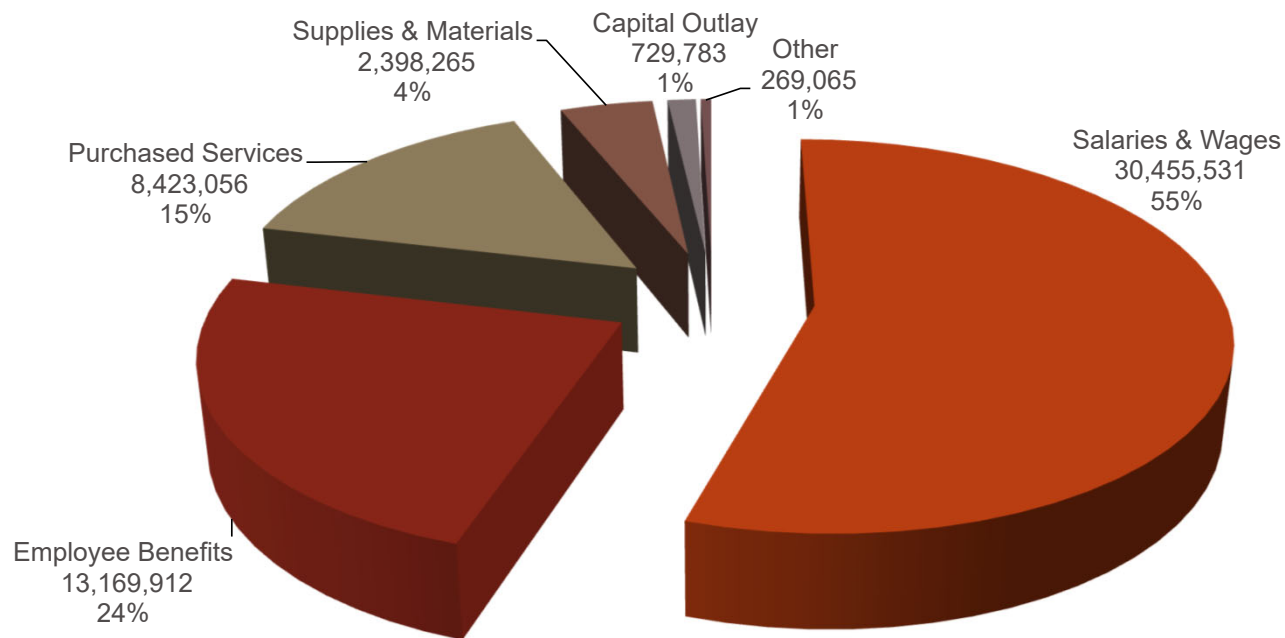
2023-2024 General Fund Rev.



**Does not include Fund 12 Sp Ed Coop revenues of \$11,690,940*



2023-2024 General Fund Exp.



**Does not include Fund 12 Sp Ed Coop expenses of \$11,690,940*



Proposed Levy Payable 2024



Determination of levy



Comparison of levies,
reasons for major changes



Impact on taxpayers



Review the MN Property
Tax Refund programs



Proposed Levy Payable 2024

- Many factors can cause the tax bill for an individual property to increase or decrease from year to year
 - Change in value of the individual property
 - Change in total value of all property in the district
 - Increases or decreases in levy amounts caused by changes in state funding formulas, local needs and costs, voter-approved referendums, and other factors
- Properties are assessed by January 2 of the previous year for which taxes are payable
 - January 2, 2023 for taxes payable in calendar year 2024

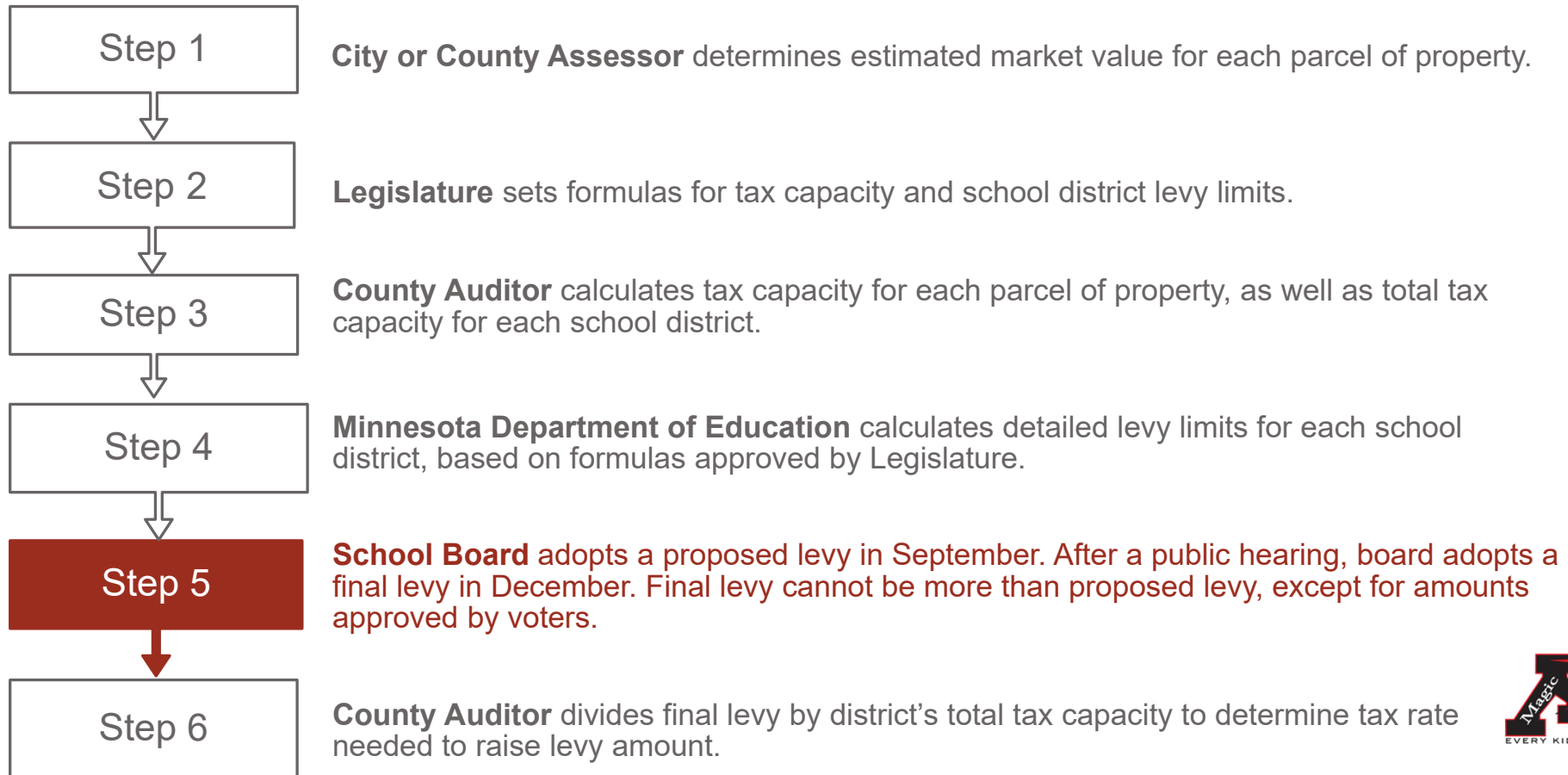


Proposed Levy Payable 2024

- **State sets** formulas which determine revenue; most revenue is based on specified amounts per pupil (other local levies)
- **State sets** tax policy for local schools
- **State sets** maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by the voters)
- **State authorizes** school board to submit referendums for operating and capital needs to voters for approval (voter approved levies)



Proposed Levy Payable 2024



Schedule of Events in Approval of Levy



Proposed Levy Payable 2024

- Proposed property tax levy for 2024 is an increase from 2023 of \$1,324,682.73 or 10.01%

	2023	2024
General Fund	10,328,428.68	10,820,271.90
Community Service	413,457.34	413,990.61
Debt Service	2,485,660.36	3,317,966.60
Total	13,227,546.38	14,552,229.11



Proposed Levy Payable 2024

Monticello School District #882			DATE 10/23/23	
Comparison of Proposed Tax Levy Payable in 2024 to Actual Levy Payable in 2023 by Fund Using Final Levy Payable in 2023 as Base Year				
	2023 Final Levy	2024 Preliminary Proposed Levy	Change from Prior Year	Percent Change
General Fund				
1 Voter Approved Referendum	\$ 3,245,336.94	\$ 3,322,868.30	\$ 77,531.36	
2 Equity	\$ 616,820.74	\$ 630,643.93	\$ 13,823.19	
3 Local Optional Revenue	\$ 3,047,807.20	\$ 3,198,887.22	\$ 151,080.02	
4 Transition	\$ 30,205.65	\$ 30,497.04	\$ 291.39	
5 Operating Capital	\$ 450,327.21	\$ 533,305.15	\$ 82,977.94	
6 Achievement & Integration	\$ 106,151.22	\$ 109,476.71	\$ 3,325.49	
7 Reemployment Ins	\$ 10,000.00	\$ 50,731.16	\$ 40,731.16	
8 Safe Schools	\$ 160,377.12	\$ 160,010.64	\$ (366.48)	
9 Career Technical	\$ 247,874.60	\$ 334,026.15	\$ 86,151.55	
10 Other Postemployment Benefits	\$ 1,160,243.01	\$ 1,382,323.96	\$ 222,080.95	
11 LT Facilities Equal	\$ 668,626.04	\$ 365,666.46	\$ (302,959.58)	
12 LT Facilities Unequal	\$ 308,794.85	\$ 399,635.85	\$ 90,841.00	
13 Lease Levy	\$ 275,390.74	\$ 294,051.75	\$ 18,661.01	
14 General Fund Adjustments	\$ 473.36	\$ 8,147.58	\$ 7,674.22	
Total General Fund Levy	\$ 10,328,428.68	\$ 10,820,271.90	\$ 491,843.22	4.76%



Proposed Levy Payable 2024

Monticello School District #882			DATE 10/23/23	
Comparison of Proposed Tax Levy Payable in 2024 to Actual Levy Payable in 2023 by Fund Using Final Levy Payable in 2023 as Base Year				
	2023 Final Levy	2024 Preliminary Proposed Levy	Change from Prior Year	Percent Change
Community Service Fund				
1 Basic Community Education	\$ 170,886.90	\$ 199,706.32	\$ 28,819.42	
2 Early Childhood Family Education	\$ 112,608.36	\$ 101,907.48	\$ (10,700.88)	
3 Home Visiting	\$ 2,466.00	\$ 3,640.74	\$ 1,174.74	
4 Adults with Disabilities	\$ 6,900.00	\$ 3,217.81	\$ (3,682.19)	
5 School Age Care	\$ 95,000.00	\$ 105,339.83	\$ 10,339.83	
6 CE Adjustments	\$ 25,596.08	\$ 178.43	\$ (25,417.65)	
Total Community Service Fund Levy	\$ 413,457.34	\$ 413,990.61	\$ 533.27	0.13%
Debt Service Fund				
1 Voter Approved Debt Service	\$ 2,474,667.00	\$ 2,477,292.00	\$ 2,625.00	
2 LT Facilities Debt Service	\$ 1,135,022.31	\$ 1,041,161.37	\$ (93,860.94)	
3 Reduction for Excess Fund Balance	\$ (1,124,744.40)	\$ (202,886.91)	\$ 921,857.49	
4 Debt Service Fund Adjustments	\$ 715.45	\$ 2,400.14	\$ 1,684.69	
Total Debt Service Fund Levy	\$ 2,485,660.36	\$ 3,317,966.60	\$ 832,306.24	33.48%
Total Certified Levy	\$ 13,227,546.38	\$ 14,552,229.11	\$ 1,324,682.73	10.01%



Explanation of Levy Changes

- Category: Voter Approved Referendum
- Change: +77,531.36
- Use of funds: general operating expenses
- Reason for increase:
 - Funding for this program is provided through a combination of state aid and local tax levies
 - This property tax levy is also affected by an inflation increase and an increase in student enrollment



Explanation of Levy Changes

- Category: Local Optional Revenue
- Change: +151,080.02
- Use of funds: general operating expenses
- Reason for increase:
 - Funding for this program is provided through a combination of state aid and local tax levies
 - More in levy, less in state aid due to property valuation increases
 - This property tax levy is also affected by an increase in student enrollment



Explanation of Levy Changes

- Category: Operating Capital
- Change: +82,977.94
- Use of funds: capital-related expenses
- Reason for increase:
 - Funding for this program is provided through a combination of state aid and local tax levies
 - More in levy, less in state aid due to property valuation increases
 - This property tax levy is also affected by an increase in student enrollment



Explanation of Levy Changes

- Category: Career Technical
- Change: +86,151.55
- Use of funds: approved career & technical programming
- Reason for increase:
 - Funding for this program is provided through a combination of state aid and local tax levies
 - An additional program was added at the high school



Explanation of Levy Changes

- Category: Other Postemployment Benefits
- Change: +222,080.95
- Use of funds: other post employment benefit costs
- Reason for increase:
 - The district realized an increase in retirees.



Explanation of Levy Changes

- Category: Long-term Facility Maintenance
- Change: -212,118.58
- Use of funds: state approved projects on 10 year facilities plan
- Reason for decrease:
 - Funding for this program is provided through a combination of state aid and local tax levies
 - Last year, less was needed for Debt Service Long-term Facility Maintenance due to a one-year return of bond proceeds
 - Higher allocation went back to the Debt Service Long-term Facility Maintenance



Explanation of Levy Changes

- Category: Long-Term Facilities Debt Service
- Change: -93,860.94
- Use of funds: principal and interest on Long-Term Facility Maintenance Revenue bonds
- Reason for decrease:
 - Districts can issue bonds for the program, levy on a pay-as-you-go basis, or a combination of the two
 - Decrease in principal and interest payments based on payment schedule



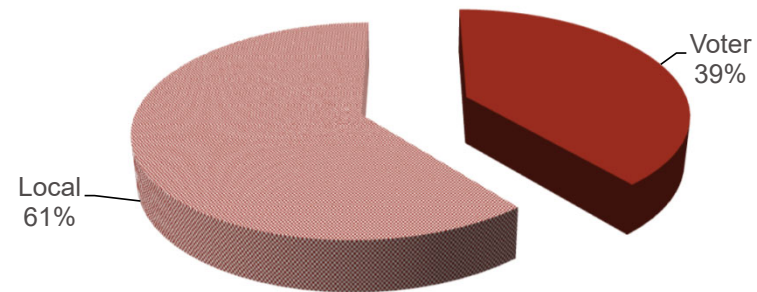
Explanation of Levy Changes

- Category: Reduction for Excess Fund Balance
- Change: +921,857.49
- Use of funds: to cover delinquencies in tax collections
- Reason for increase:
 - School districts have to levy 105% of their bond and interest payments to cover future delinquent tax collections
 - The State reviews the Debt Service fund balance and makes adjustments accordingly
 - A transfer was approved in 20-21 the remaining funds back to the Debt Service fund to reduce future levies
 - Debt Service levy is back to projected levels

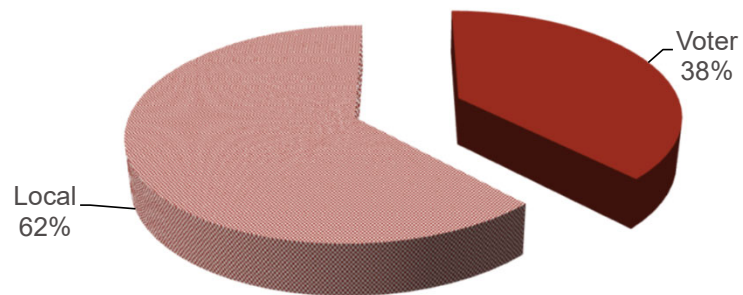


Levy Limitation Comparison

2024 Final Projected Tax Levy



2023 Tax Levy



Impact of Taxpayers – 4 years Levy Comparison

- Examples include school district taxes only & are shown based on no change and a 23.4% increase in property value for residential homes over the past four years
 - Actual changes in value may be more or less than this for any parcel of property
 - Intended to provide a fair representation of what happened to school district property taxes over this period for typical properties
- Amounts for 2024 are preliminary estimates, based on best data available now – final figures could change slightly
- Estimates were prepared by Ehlers (District's financial advisors)



Monticello School District, ISD 882

Estimated Changes in School Property Taxes, 2021 to 2024
Based on No Changes in Property Values

Type of Property	Estimated Market Value	Actual Taxes Payable in 2021	Actual Taxes Payable in 2022	Actual Taxes Payable in 2023	Estimated Taxes Payable in 2024	Change in Taxes 2021 to 2024	Change in Taxes 2023 to 2024
Residential Homestead	\$100,000	\$304	\$290	\$282	\$275	-\$29	-\$7
	150,000	485	463	447	438	-47	-9
	200,000	666	637	612	601	-65	-11
	250,000	847	810	777	764	-83	-13
	300,000	1,028	984	942	927	-101	-15
	350,000	1,209	1,157	1,108	1,090	-119	-18
	400,000	1,390	1,331	1,273	1,253	-137	-20
	450,000	1,566	1,500	1,433	1,412	-154	-21
	475,000	1,653	1,583	1,513	1,490	-163	-23
	500,000	1,740	1,666	1,593	1,569	-171	-24

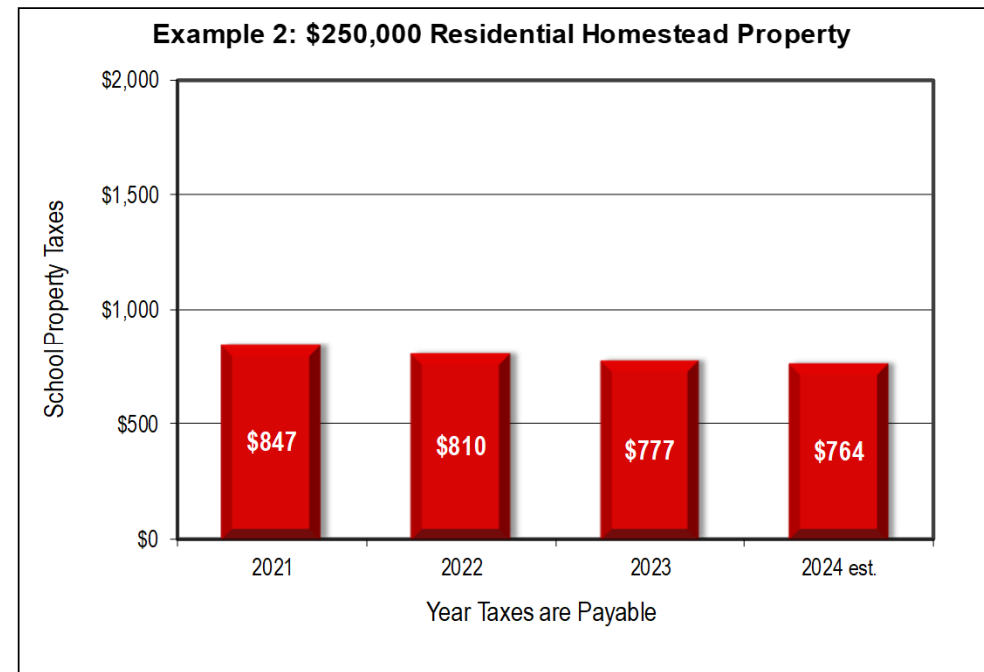
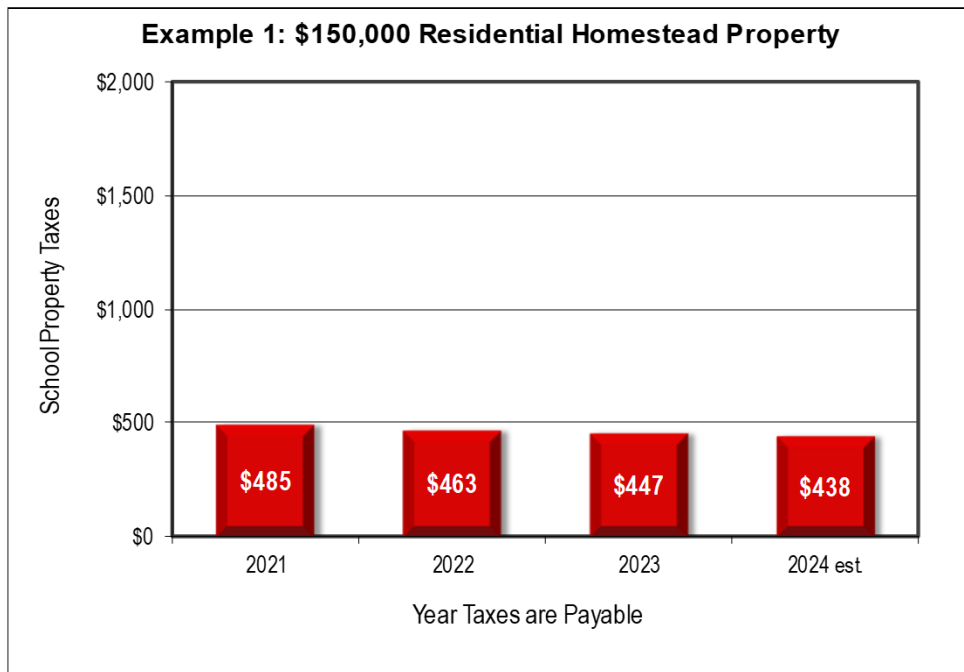
General Notes

1. Amounts are based on school district taxes only, and do not include taxes for city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2024 are preliminary, based on the best data available.
3. For all examples of properties, taxes are calculated based on no changes in estimated market value from 2021 to 2024.

Monticello School District, ISD 882

Estimated Changes in School Property Taxes, 2021-24

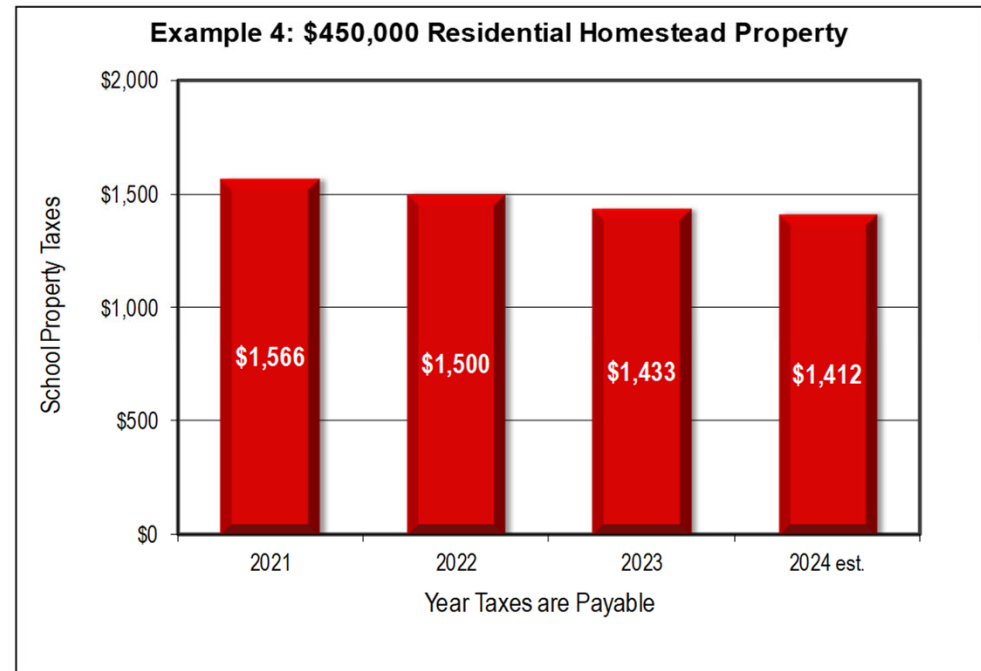
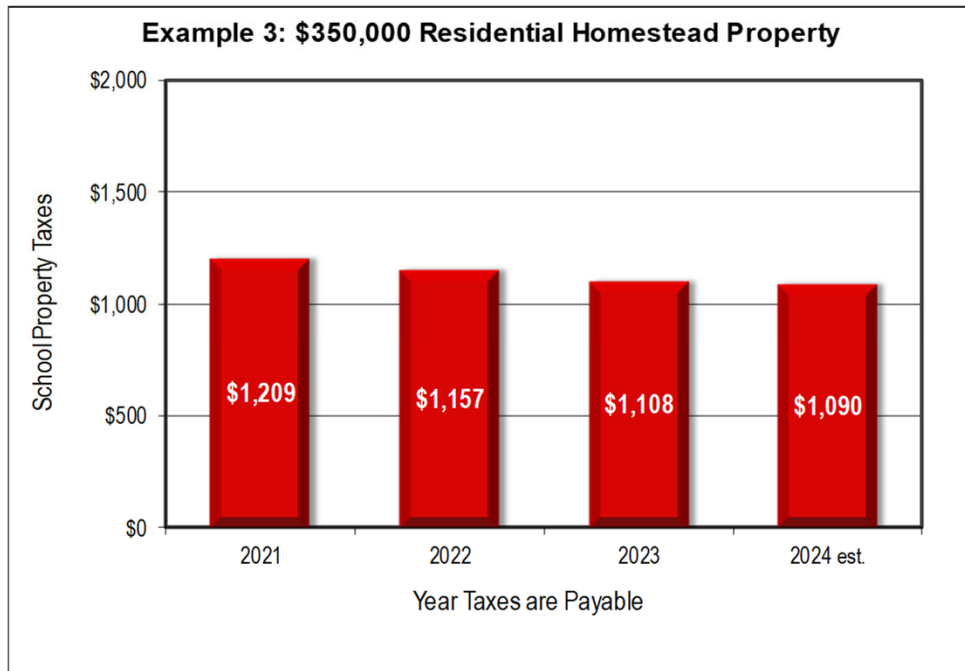
Based on No Changes in Property Value



Monticello School District, ISD 882

Estimated Changes in School Property Taxes, 2021-24

Based on No Changes in Property Value



Monticello School District, ISD 882

Estimated Changes in School Property Taxes, 2021 to 2024

Based on 23.4% Cumulative Changes in Property Value from 2021 to 2024 Taxes

Type of Property	Estimated Market Value for 2021 Taxes	Actual Taxes Payable in 2021	Estimated Market Value for 2022 Taxes	Actual Taxes Payable in 2022	Estimated Market Value for 2023 Taxes	Actual Taxes Payable in 2023	Estimated Market Value for 2023 Taxes	Estimated Taxes Payable in 2024	Change in Taxes 2021 to 2024	Change in Taxes 2023 to 2024
Residential Homestead	\$81,051	\$236	\$82,672	\$229	\$92,593	\$258	\$100,000	\$275	\$39	\$17
	121,576	382	124,008	373	138,889	411	150,000	438	56	27
	162,102	529	165,344	516	185,185	563	200,000	601	72	38
	202,627	676	206,680	660	231,481	716	250,000	764	88	48
	243,153	822	248,016	803	277,778	869	300,000	927	105	58
	283,678	969	289,352	947	324,074	1,022	350,000	1,090	121	68
	324,204	1,115	330,688	1,090	370,370	1,175	400,000	1,253	138	78
	364,729	1,262	372,024	1,234	416,667	1,327	450,000	1,412	150	85
	384,992	1,335	392,692	1,306	439,815	1,401	475,000	1,490	155	89
	405,255	1,409	413,360	1,377	462,963	1,475	500,000	1,569	160	94

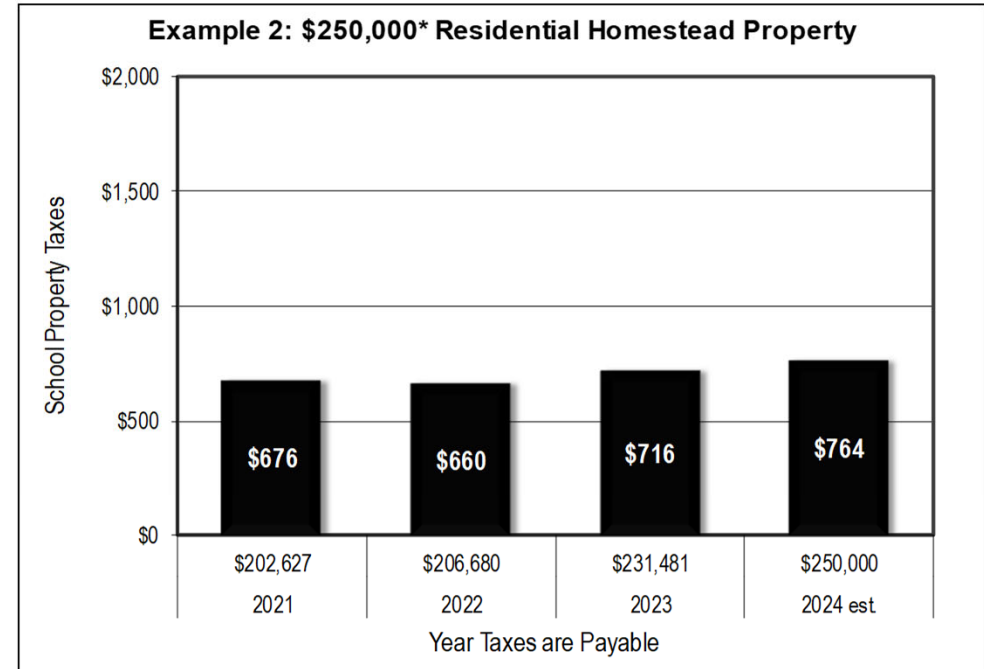
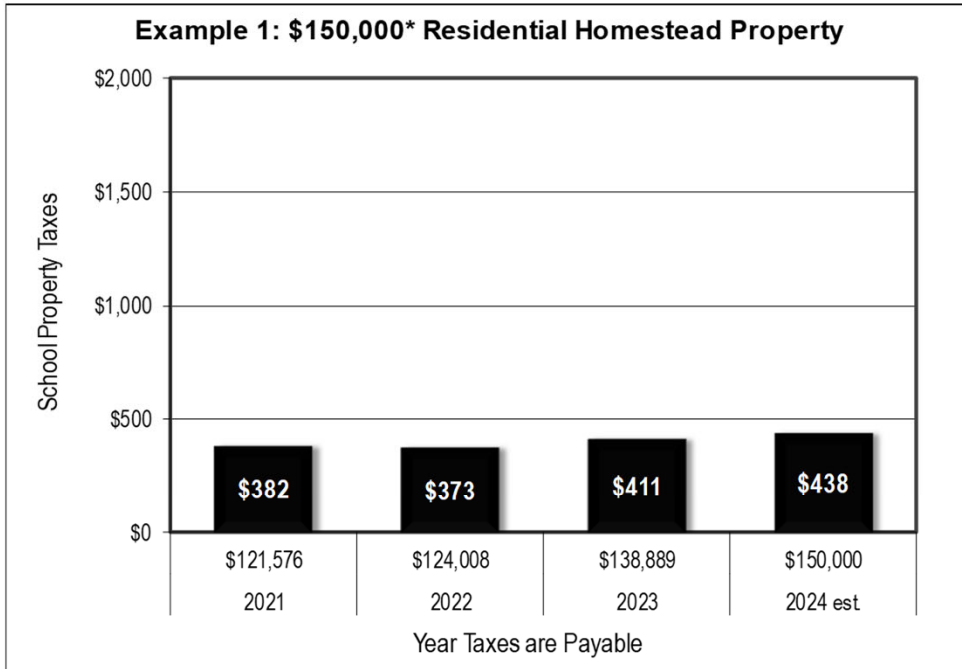
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3. For all examples of properties, taxes are based on changes in estimated market value of 2.0% from 2021 to 2022, 12.0% from 2022 to 2023 and 8.0% from 2023 to 2024.

Monticello School District, ISD 882

Estimated Changes in School Property Taxes, 2021-24

Based on 23.4% Cumulative Changes in Property Value

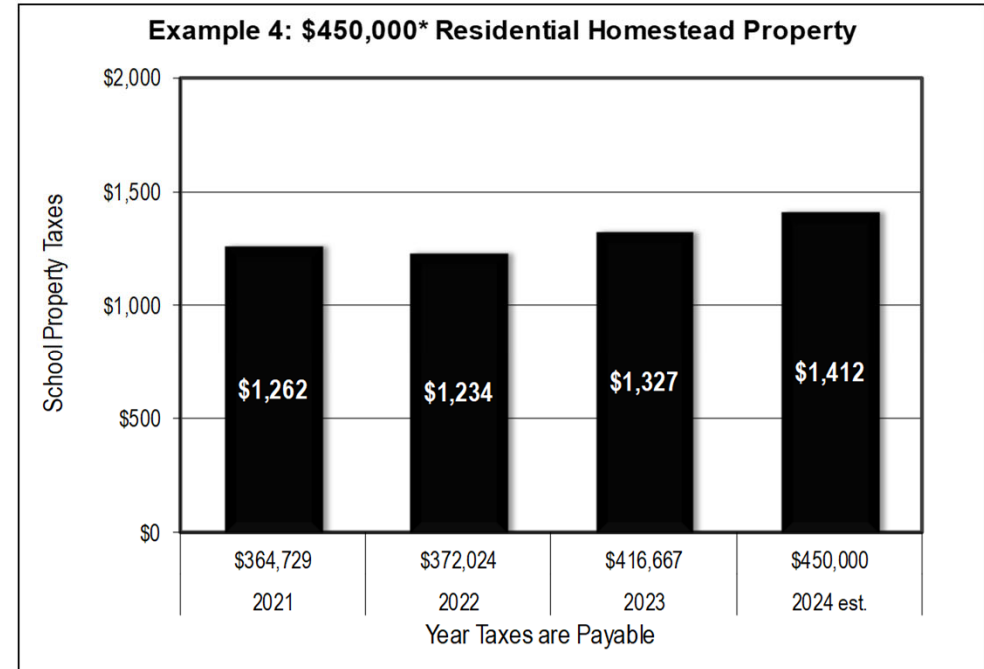
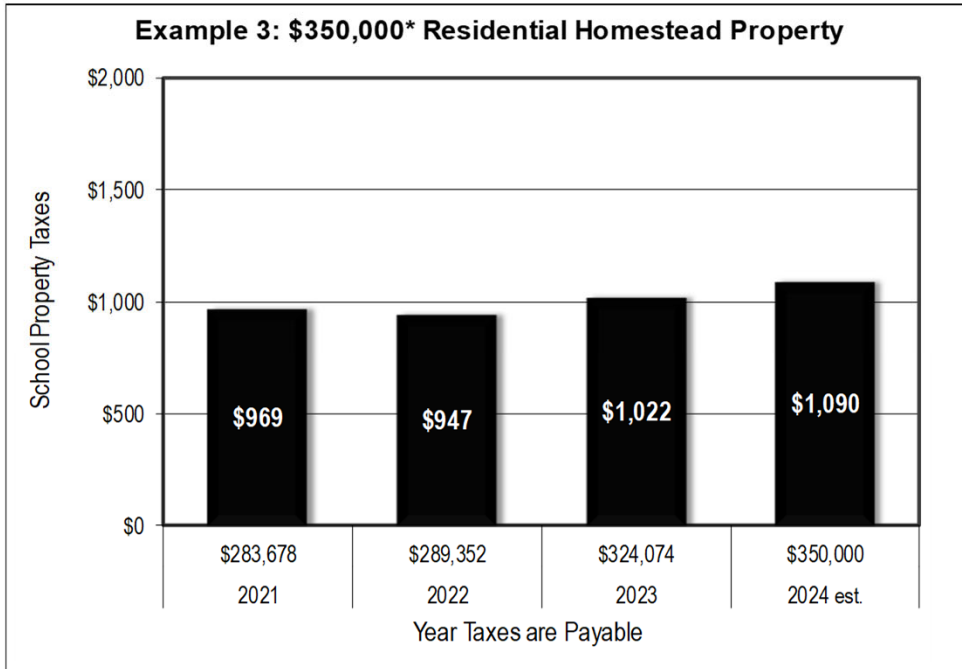


* Estimated market value for taxes payable in 2024. Taxes are calculated based on changes in market value of 2.0% from 2021 to 2022, 12.0% from 2022 to 2023 and 8.0% from 2023 to 2024.

Monticello School District, ISD 882

Estimated Changes in School Property Taxes, 2021-24

Based on 23.4% Cumulative Changes in Property Value



* Estimated market value for taxes payable in 2024. Taxes are calculated based on changes in market value of 2.0% from 2021 to 2022, 12.0% from 2022 to 2023 and 8.0% from 2023 to 2024.

Monticello School District, ISD 882

Impact of Property Valuations

Higher Market Value Increase = Bigger Slice



Lower Market Value Increase = Smaller Slice



Each Property Owner pays a portion of the pie

Monticello School District, ISD 882

Impact of Property Valuations



Two properties in the district

- Both houses are valued at \$100,000

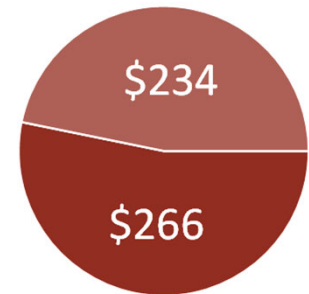
Total levy of \$500

- Each property will pay \$250 of levy



Monticello School District, ISD 882

Impact of Property Valuations



Two properties in the district

- Gray house value increases by 10%
- Red house value increases by 25%

Total levy of \$500

- School District will still generate the same amount of levy even though values increased
- Gray house pays less
- Red house pays more

Monticello School District, ISD 882

Xcel Total Estimated Market Value, Wright County						
2023	2022	2021	2020	2019	2018	2017
622,485,500.00	652,765,300.00	639,313,800.00	670,273,600.00	650,984,500.00	656,090,400.00	743,551,900.00
124,738,700.00	129,511,800.00	124,283,500.00	142,216,000.00	135,618,800.00	141,076,800.00	134,303,200.00
747,224,200.00	782,277,100.00	763,597,300.00	812,489,600.00	786,603,300.00	797,167,200.00	877,855,100.00
-4.48%	2.45%	-6.02%	3.29%	-1.33%	-9.19%	

Xcel Total Taxes Payable, Wright County						
	12,812,660.00	13,793,502.00	14,231,270.00	13,910,846.00	14,206,490.00	14,851,920.00
	3,349,617.67	3,533,476.00	4,026,796.00	3,934,168.00	4,232,402.00	3,843,782.00
	16,162,277.67	17,326,978.00	18,258,066.00	17,845,014.00	18,438,892.00	18,695,702.00
	-6.72%	-5.10%	2.31%	-3.22%	-1.37%	

State Property Tax Refunds

- State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property
- These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the forms
- For help with the forms and instructions:
 - Consult your tax professional, or
 - Visit the Department of Revenue website at www.taxes.state.mn.us



State Property Tax Refunds (continued)

- Homestead Credit Refund
 - Available for all homestead property, both residential and agricultural (house, garage and 1 acre only - HGA)
 - Refund is sliding scale, based on total property taxes and income



State Property Tax Refunds (continued)

- Special Property Tax Refund
 - Available for all homestead property, both residential and agricultural (HGA only) with a gross tax increase of at least 12% and \$100 over prior year
 - Refund is 60% of tax increase that exceeds greater of 12% or \$100 (max \$1,000)



State Property Tax Refunds (continued)

- Senior Citizen Property Tax Deferral
 - Allows people 65 years of age or older with household income of \$60,000 or less to defer a portion of property taxes on their home
 - Deferred property taxes plus accrued interest must be paid when home is sold or homeowner(s) dies



Final Levy Adoption

DATE: December 11, 2023
TIME: 6:00 pm
PLACE: Monticello Middle School
Board Room

