

Glencoe-Silver Lake School Truth in Taxation Hearing for Taxes Payable in 2022



***December 13, 2021
Michelle Sander***



Agenda for Hearing

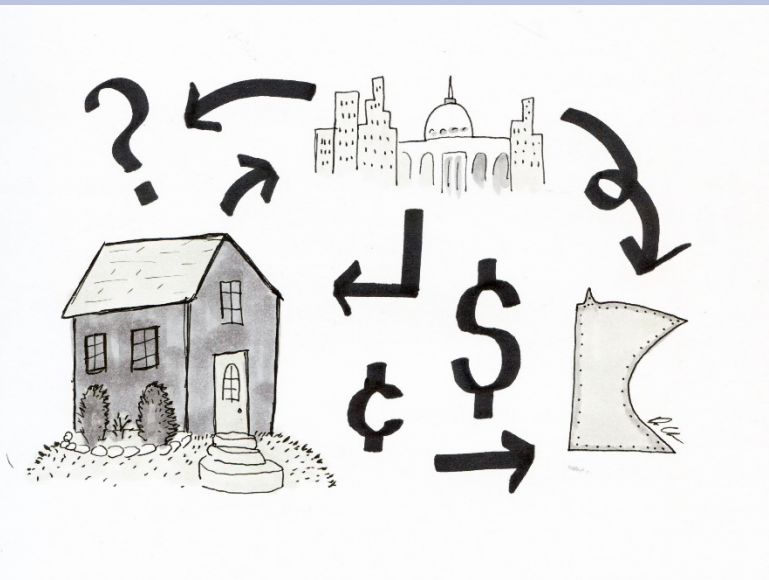
- Background on School Funding, Tax Levies and Budgets
- Information on Proposed Pay 2022 Levy
- Information on District Budget
 - Because approval of the budget lags certifications of the tax levy by 6 months, the state requires only current year budget information and prior year actual financial results be presented and discussed.
- Public Comments and Questions

Discussion of Taxes Payable 2022

**The School District Levy
2021 Payable 2022**

**Levy is Approved in 2021
Taxes are Paid in 2022**

**Revenue is for the
2022-2023 School Year
FY 2023**



School Levy vs. Budget Cycle

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

Property Tax Levy

- Final levy set in December
- Property taxes levied on calendar year

Budget

- Final Budget approved in June, 2020 (6 months later)
- Fiscal year is July 1 through June 30



Levy Process

**County
Assessor**

Legislature

**County
Auditor**

Legislature

**Minnesota
Department
of Education**

School Board

**County
Auditor**

**Taxes Paid in
2022**

**School
Revenue for
2022-2023**

Explanation of Levy Certification

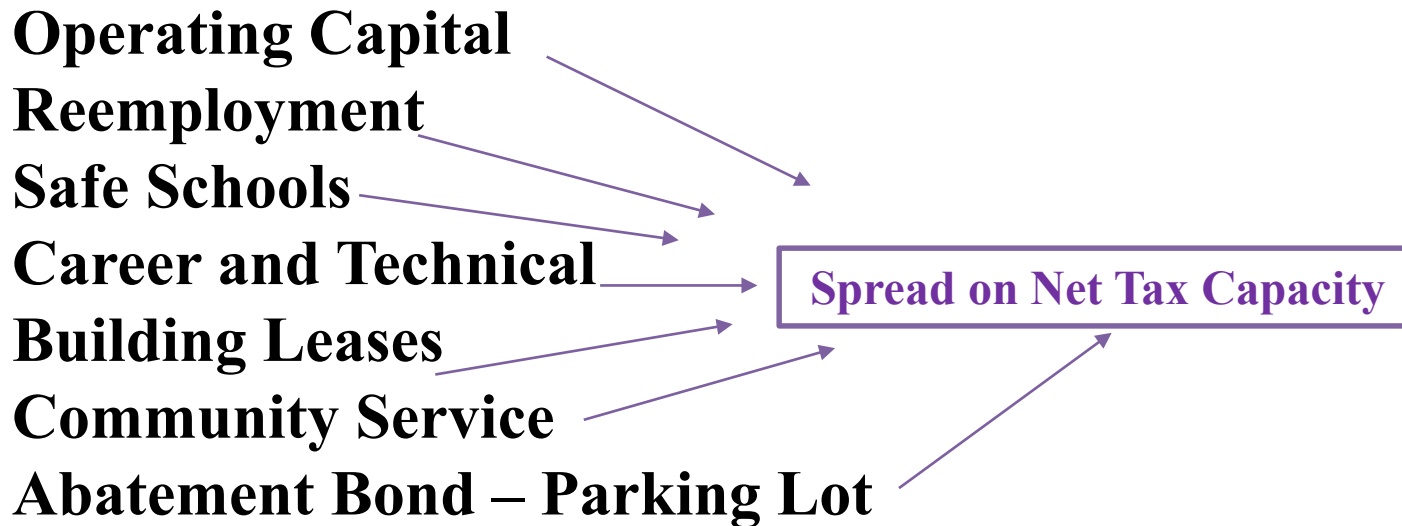
1. Voter Approved Levies:

- a) Referendum Operating levy for operating expenses. - RMV
- b) Debt Service Levy - for new building and remodeling projects. - NTC



2. *Other Local Levy*

This category includes levies for specific purposes which are based upon **formulas set by the state legislature**. The school district has some discretion in determining whether we need to levy the limit set by law or a reduced amount.



Long Term Facilities Maintenance Revenue –
Spread on Ag Modified Net Tax Capacity



What Are The Variables Which Cause Property Tax Increases and Decreases?

1. Changes in market values

2. Changes in class rates

3. Changes in enrollment



4. Changes in local levy vs. state aid

5. Homestead Credits – Homestead Exclusion

6. Property tax refunds

7. Consolidation – Reorganization Debt

8. Legislative Changes – LTFMR – Ag Modified NTC

9. Building Construction – Abatement Bonds

10. Operating Referendums

11. Ag Credit Legislation



Property Valuations

Market Values – Total Property Values of the District		% Growth
2016 Market Value	1,591,831,800	-4.10% - \$68,127,900
2017 Market Value	1,605,055,500	.8370% +\$13,223,700
2018 Market Value	1,593,027,000	.74941% -\$12,028,500
2019 Market Value	1,689,470,600	6.054+ \$96,443,600
2020 Market Value	1,760,596,157	4.21% + 71,125,557

Market Values

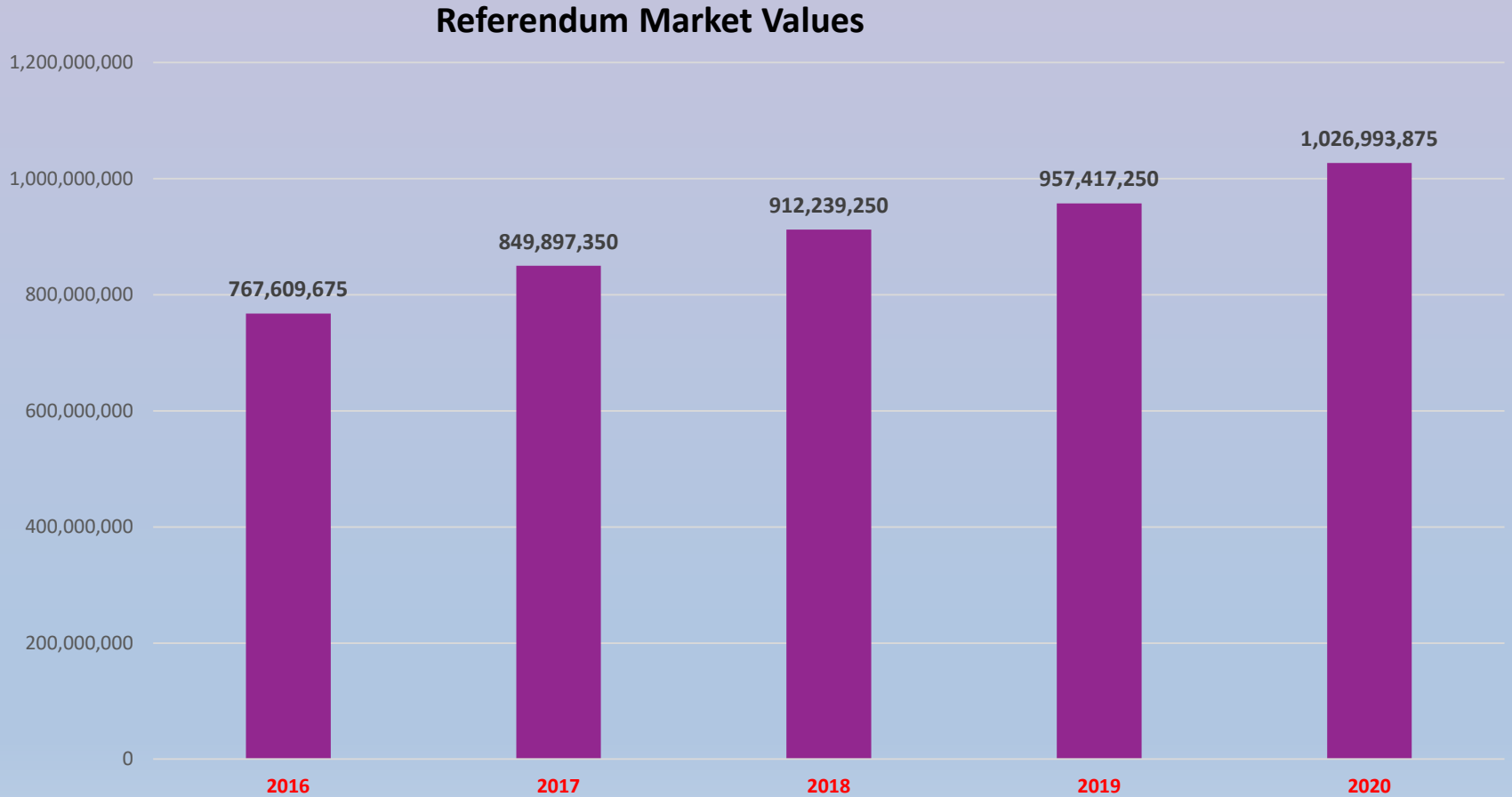
Market Values



Property Valuations

Referendum Market Values - Ag Land - Seasonal Properties		
2016 RMV	767,609,675	+4.3% -+\$31,613,845
2017 RMV	849,897,350	+10.72% +\$82,287,675
2018 RMV	912,239,250	+7.33% +\$62,341,900
2019 RMV	957,417,250	+4.952% +\$45,178,000
2020 RMV	1,026,993,875	+7.26% +69,576,625

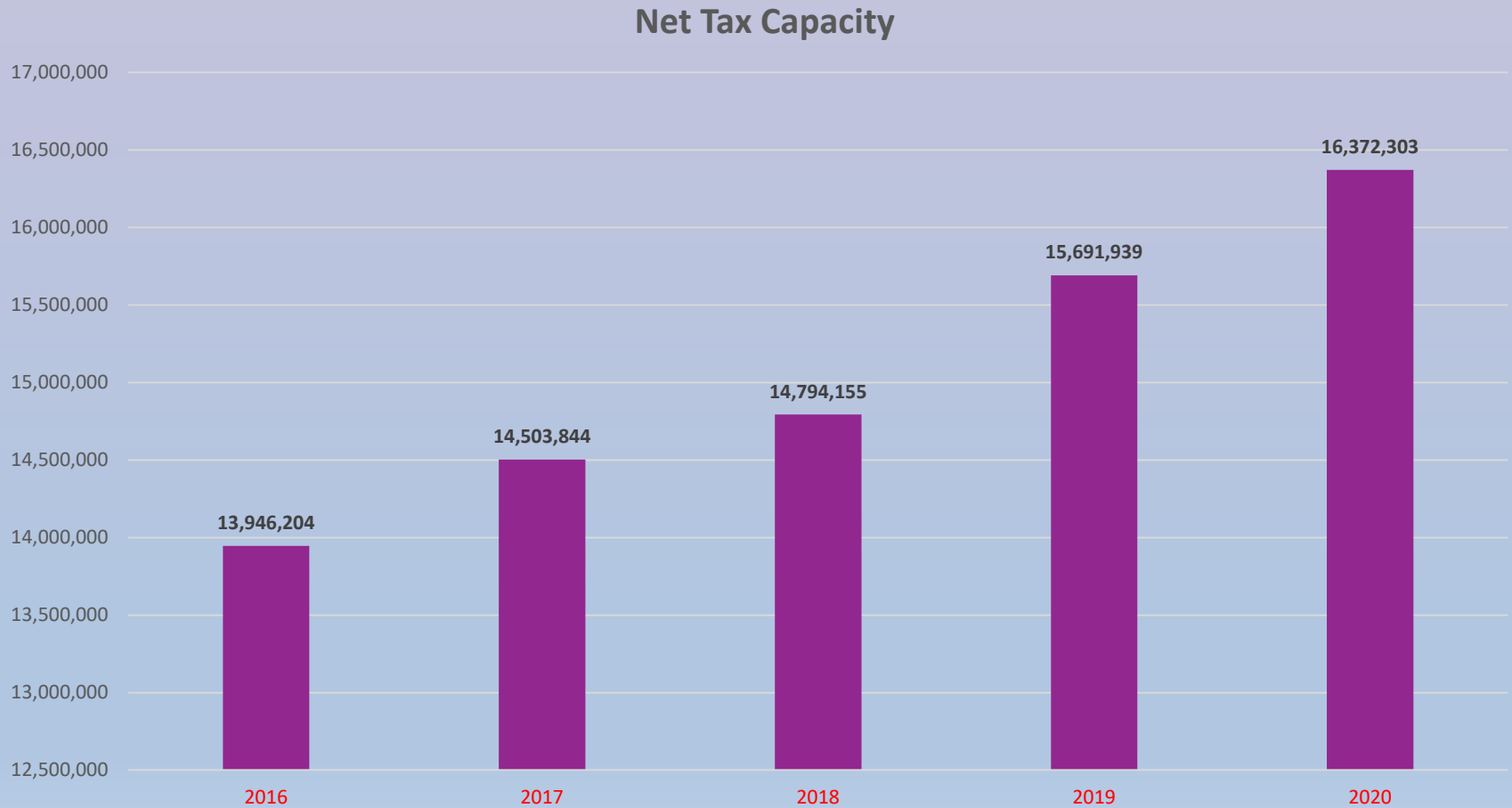
Referendum Market Values



Property Valuations

Net Tax Capacity – Market Values X Class Rates		% Growth
2016 NTC	13,946,204	-2.0634 -\$293,822
2017 NTC	14,503,844	+4% +\$557,640
2018 NTC	14,794,155	+ 2% +\$290,311
2019 NTC	15,691,939	+6.06% +\$897,784
2020 NTC	16,372,303	+4.33% +680,364

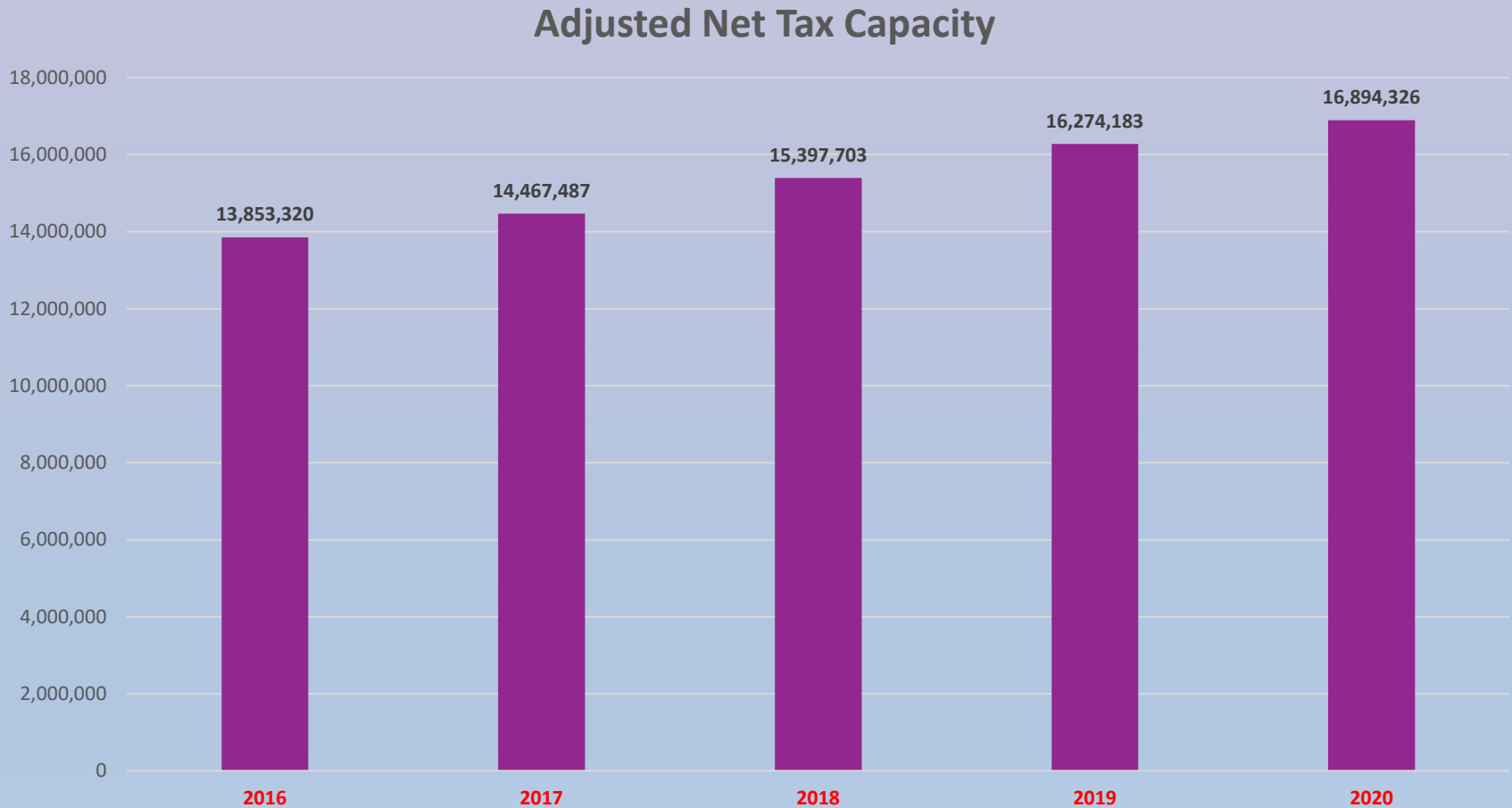
Net Tax Capacity



Property Valuations

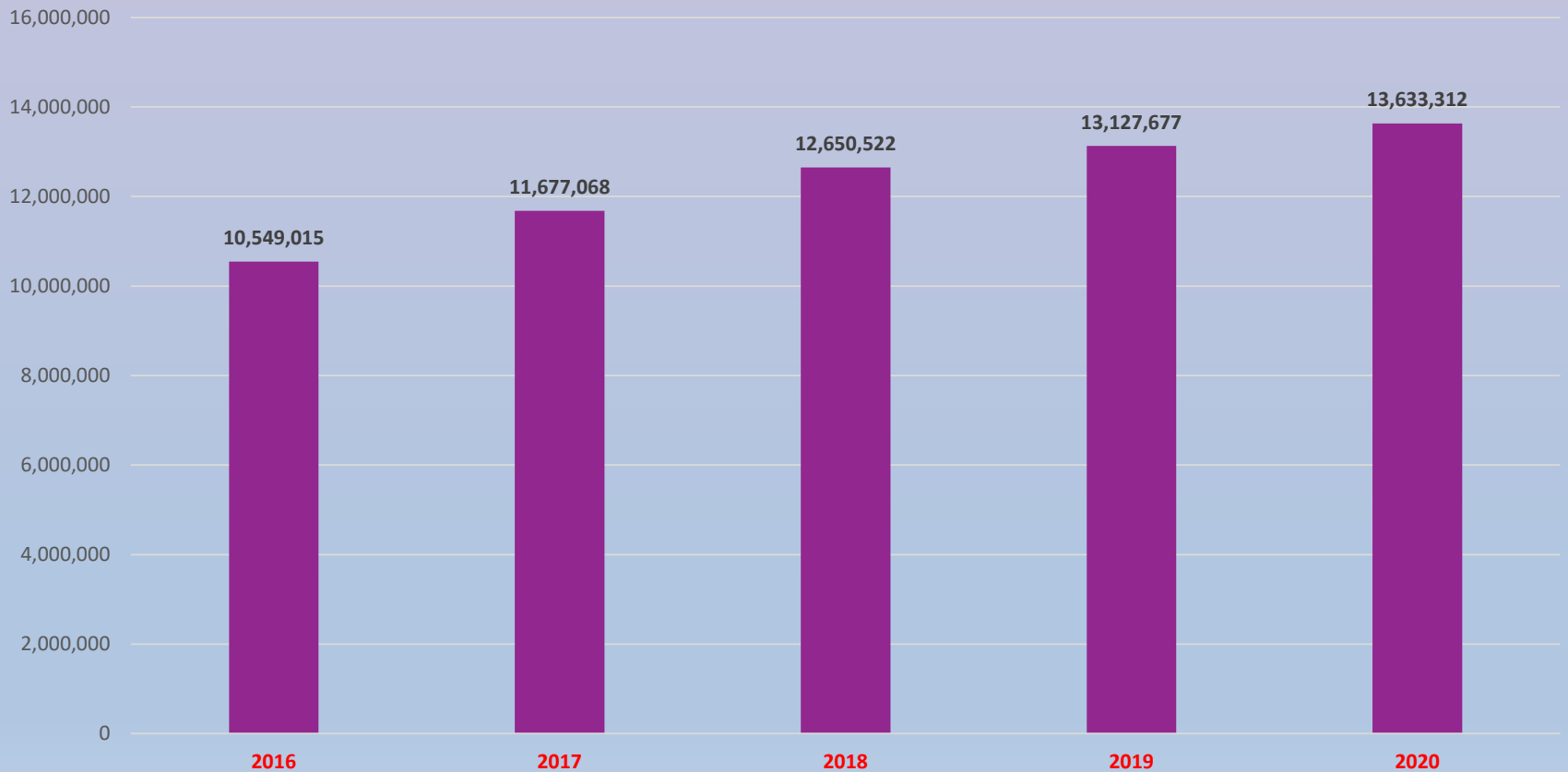
Adjusted Net Tax Capacity – NTC /Sales Ratio		
2016 ANTC 2016 Ag Modified for LTFM Revenue	13,853,320 10,549,015	+3.06% - +\$411,344
2016 ANTC 2016 Ag Modified for LTFM Revenue	13,853,320 10,549,015	+3.06% - +\$411,344
2017 ANTC 2017 Ag Modified for LTFM Revenue	14,467,487 11,677,068	+4.43% +\$614,167 +10.7% +\$1,128,053
2018 ANTC 2018 Ag Modified for LTFM Revenue	15,3364,750 12,650,522	+6.43 % +\$930,216 + 8.34% + \$973454
2019 ANTC 2019 Ag Modified for LTFM Revenue	16,274,183 13,127,677	+5.919% +\$909,433 +3.77% +\$477,155
2020 ANTC 2020 Ag Modified for LTFM Revenue	16,894,326 13,633,312	+3.81% +\$620,143 +3.85% +\$505,635

Adjusted Net Tax Capacity



Ag Modified Adjusted Net Tax Capacity

Ag Modified ANTC



Resident Students

	2016- 2017 Final 6-30-17	2017-2018 Final 6-30-18	2018-2019 Final 6-30-19	2019-2020 Final 6-30-20	2020-2021 Final 6-30-21
Pre-K	16.63	17.09	18.35	15.88	15.79
Kindergarten	127.21	131.60	142.69	118.92	123.08
1-2	271.03	270.37	270.73	273.50	242.54
3-6	565.59	585.26	580.27	570.06	544.68
7-8	317.13	310.06	311.98	326.46	311.84
9-12	632.33	651.95	673.50	637.81	655.13
Total	1,929.92	1,966.33	1,997.52	1,942.63	1,893.06

Adjusted Average Daily Membership

	2016-2017 12-12-16 6-30-17	2017-2018 12-11-17 6-30-18	2018-2019 12-10-18 6-30-19	2019-2020 12-9-19 6-30-20	2020-2021 12-14-20 6-30-21	2021-2022 12-13-21
Pre-K	10 15.43	10 16.40	10 16.15	15 14.94	15 14.21	10
Kdgn	110 112.60	112 111.80	115 114.36	93 89.93	103 102.15	92
1-2	210 217.88	226 224.40	219 223.70	226 228.45	192 190.45	194
3-6	468 471.78	456 458.44	458 459.10	458 454.39	436 433.19	432
7-8	245 265.81	278 270.68	259 256.08	256 256.25	246 246.14	218
9-12	512 496.69	507 509.19	522 529.34	517 512.39	517 518.79	529
Total	1,555 1580.19	1,589 1,590.91	1,573 1,598.73	1,565 1,556.35	1,509.00 1,504.93	1,475

Example One – Residential Homestead - GSL

	Taxes Payable 2018	Taxes Payable 2019	Taxes Payable 2020	Taxes Payable 2021	Taxes Payable 2022
	Estimated Market Value \$147,100	Estimated Market Value \$157,800	Estimated Market Value \$163,100	Estimated Market Value \$180,700	Estimated Market Value \$200,400
Homestead Exclusion	\$24,000	\$23,000	\$22,600	\$21,000	\$19,200
Taxable Market Value	\$123,100	\$134,800	\$140,500	\$159,700	\$181,200
Voter Approved Levies	\$193.06	\$202.95	\$221.96	\$241.52	\$275.59
Other Local Levies	\$221.54	\$221.16	\$292.49	\$310.45	\$344.58
Total	\$414.60	\$424.11	\$514.45	\$551.97	\$620.17
Difference	+\$24.69	+\$9.51	+\$90.34	+\$37.52	+\$68.20

MCLEOD COUNTY AUDITOR-TREASURER
CONNIE M. KURTZWEG
520 CHANDLER AVE N, GLENCOE
PHONE 320-864-1234

TAXPAYER(S):
TS P1
3122 1 AV S 425
002129



PROPERTY INFORMATION

Parcel Number: R22.060.8698
PROPERTY ADDRESS: GLENCOE MN 55336

PROPERTY DESCRIPTION:
TOWN OF FRANKLIN
Lot-007 Block-010

PROPOSED TAXES 2022

THIS IS NOT A BILL. DO NOT PAY.

Step 1	VALUES AND CLASSIFICATION		
	Taxes Payable Year	2021	2022
	Estimated Market Value	\$188,700	\$200,400
	Homestead Exclusion	\$21,000	\$19,200
	Assessable Market Value	\$159,700	\$181,200
	Property Classification	RES-HRST	RES-HRST

Step 2	PROPOSED TAX	
	Property Taxes before credits	\$3,008.88
	School building bonded credit	\$0.88
	Agricultural market value credit	\$0.88
	Other Credits	\$0.88
	Property Taxes after credits	\$3,008.00

Step 3	PROPERTY TAX STATEMENT	
	Coming March 2022	

The time to provide feedback on
PROPOSED LEVIES IS NOW
It is too late to appeal your value without going to Tax Court.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Actual 2021	Proposed 2022	Meeting Information
MCLEOD COUNTY AUDITOR-TREAS CONNIE M. KURTZWEG 520 CHANDLER AVE N, GLENCOE PHONE 320-864-1234	\$933.52	\$1,838.27	MCLEOD COUNTY GOVERNMENT CTR MARTIN MCLEOD BOARD ROOM 520 CHANDLER AVE N, GLENCOE DECEMBER 13, 2021 AT 6:00 P.M.
GLENCOE CITY OFFICES ATTN CITY ADMINISTRATOR 110711TH ST, STE 107, GLENCOE PHONE 320-864-6586	\$1,185.09	\$1,312.87	GLENCOE CITY CENTER SOUTH BALLROOM STE 112 110711TH STE, GLENCOE DECEMBER 6, 2021 ATT: 15 P.M.
GLENCOE-SILVER LAKE SCHOOL SUPERINTENDENT'S OFFICE 162116TH STE, GLENCOE PHONE 320-864-2491			GLENCOE-SILVER LAKE SCHOOL ROOM 403/444 DOOR 32 1621 16TH ST E, GLENCOE DECEMBER 13, 2021 AT 6:00 P.M.
	VOTER APPROVED LEVIES	\$241.52	\$275.59
	OTHER LOCAL LEVIES	\$310.45	\$344.58
BUFFALO CREEK WS MID-MN DEVELOPMENT	\$24.10 \$3.32	\$32.92 \$3.77	
TOTAL Excluding Special Assessments	\$2,698.88	\$3,008.88	11.5%

IMPORTANT INFORMATION IS PRINTED ON THE BACK OF THIS FORM.

Values and Classifications

County

City/Township

School

Special Assessments

Election Statement

Voter Approved

Other

Total %

Example Two – Agricultural Non-Homestead – GSL School

	Taxes Payable 2018	Taxes Payable 2019	Taxes Payable 2020	Taxes Payable 2021	Taxes Payable 2022
	Estimated Market Value \$278,500	Estimated Market Value \$244,000	Estimated Market Value \$261,800	Estimated Market Value \$244,100	Estimated Market Value \$244,100
Homestead Exclusion	NA	Ag Land Credit \$96.66	Ag Land Credit \$129.88	Ag Land Credit \$134.97	Ag Land Credit \$131.97
Voter Approved Levies	\$161.70	\$145.20	\$117.66	\$93.61	\$79.88
Other Local Levies	\$194.40	\$172.60	\$194.13	\$163.58	\$162.89
Total	\$356.10	\$317.80	\$312.09	\$257.19	\$242.77
	-\$180.37	-\$38.30	-\$5.71	-\$54.90	-\$14.42

MCLEOD COUNTY AUDITOR-TREASURER
CONNIE M. KURTZWEG
520 CHANDLER AVE N, GLENCOE
PHONE 328-864-1234

TAXPAYER(S):
TIT P1
10355 1 AV 0.426
000+000
IND SCHOOL DISTRICT #0859
1821 16TH ST E
GLENCOE, MN 55338-1721

PROPERTY INFORMATION
Parcel Number: R04.012.0300
PROPERTY ADDRESS:

PROPERTY DESCRIPTION:
Sect-12 Twp-115 Range-028
132.35 AC 132.35 AC
N 1/2 SE 1/4 EX 3.31 AC & N 28

PROPOSED TAXES 2022		
THIS IS NOT A BILL. DO NOT PAY.		
VALUES AND CLASSIFICATION		
Taxes Payable Year	2021	2022
Estimated Market Value	\$244,100	\$244,100
Homestead Exclusion		
Taxable Market Value	\$244,100	\$244,100
Property Classification	AGNHED	AGNHED
PROPOSED TAX		
Property Taxes before credits		\$2,063.97
School building bond credit		\$131.97
Agricultural market value credit		\$0.00
Other Credits		\$0.00
Property Taxes after credits		\$1,932.00
PROPERTY TAX STATEMENT		
Coming March 2022		
The time to provide feedback on PROPOSED LEVIES IS NOW		
It is too late to appeal your value without going to Tax Court.		

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Actual 2021	Proposed 2022	Meeting Information
MCLEOD COUNTY AUDITOR-TREAS CONNIE M. KURTZWEG 520 CHANDLER AVE N, GLENCOE PHONE 328-864-1234	\$1,452.55	\$1,423.31	MCLEOD COUNTY GOVERNMENT CTR HARTIN MCLEOD BOARD ROOM 520 CHANDLER AVE N, GLENCOE DECEMBER 13, 2021 AT 8:00 P.M.
TOWN OF GLENCOE DAVE MILBRAND, CLERK 7817 CO RD 2, GLENCOE PHONE 328-864-4280	\$188.35	\$218.49	BUDGET SET AT YOUR ANNUAL TOWN MEETING IN MARCH, 2021
GLENCOE-SILVER LAKE SCHOOL SUPERINTENDENT'S OFFICE 162116TH STE, GLENCOE PHONE 328-864-2481			GLENCOE-SILVER LAKE SCHOOL ROOM 443444 DOOR 32 1621 16TH ST E, GLENCOE DECEMBER 13, 2021 AT 6:00 P.M.
	VOTER APPROVED LEVIES \$93.81	\$79.88	
	OTHER LOCAL LEVIES \$163.58	\$162.89	
BUFFALO CREEK, INC MID-MN DEVELOPMENT	\$38.83 \$5.88	\$44.35 \$5.88	
TOTAL Excluding Special Assessments	\$1,940.88	\$1,932.88	-0.4%

IMPORTANT INFORMATION IS PRINTED ON THE BACK OF THIS FORM.

Values and Classification

School Building Bond Credit

Tax Year and Hearing Location

Election Statement

Total Increase

County

City/Township

School

Special Assessments

Voter Approved
Other

Explanation of Levy Changes – RMV Tax Calculations

- Voter Approved and RMV Other
 - Referendum, Equity, Local Optional and Transition
- Change – \$+48,798.79
- Use of Funds – General Operating Expenses
- Adjusted Per Pupil Unit - \$482.62 (Increase of \$9.23 for the Inflationary Factor of 1.0195%)
- Local Optional Revenue - \$724.00 (\$424 +\$300)
- Resident Students are used for State Aid Calculations and Adjusted Pupil Units for Levy Calculations
- FY19 and FY21 Adjustments
- State Aid and Local Levy

Explanation of Levy Changes – Net Tax Capacity - NTC

- Operating Capital Levy
- Change – **\$21,293.89 Increase**
- Use of Funds – equipment, building maintenance, leases, salaries, vehicles
- State Aid and local levy
- Calculation based on 2022-2023 Estimated APU – 1,593.20 – (1,445 ADM)

Operating Capital Revenue - Page 3**Pay 2022**

Average Building Age 36.09

Facilities Age Index

1 + .01 x 36.09 1.3609

Operating Capital Allowance

\$79 + \$109 x 1.3609 227.34

Estimated 2022-2023 Adjusted PU

1,593.20 x 227.34 **362,198.09****Operating Capital Revenue - Page 3****Pay 2021**

34.68

1.3468

225.8

368,324.96**-6,126.87****Operating Capital Aids and Levy - Page 5**

Operating Capital Revenue 362,198.09

2022-23 APU Estimated 1,593.20

2020 ANTC 16,894,326

FY23 ANTC / ADJ PU 10,604.02

Levy Ratio - lesser of 1 or

10,604.02 / 22,912 0.46281512

368,324.96

-6126.87

1,631.00

2019 ANTC 16,274,183

9,976.82

0.41770232

Levy Limit

362,198.09 x .46281512 167,630.75

153,850.19

13,780.56**State Aid**

362,198.09-167,630.75 194,567.34

214,474.77

-19,907.43

Explanation of Levy Changes – Net Tax Capacity - NTC

- Reemployment Insurance
- Change – \$8,594.95 Increase
- Used for unemployment
- Based on estimates for 2022-2023 and FY20 actual expenses.
- Local Levy

Explanation of Levy Changes – Net Tax Capacity - NTC

- Safe Schools
- Change – (\$-308.16) Decrease
- Used for Supervision at events, police officer at events and safe schools items – radios, security cameras, crossing guards.
- Local Levy



Explanation of Levy Changes – Net Tax Capacity - NTC



- Career and Technical
- Change – \$0 Change
- Used for vocational programs
- Local Levy

Long Term Facilities Maintenance Revenue

- New Levy/Aid Category 2016 – Replaces old Health and Safety and Deferred Maintenance
- Levy/Aid – \$18,020.49
- 10 Year Plan – Needs to be updated annually
 - Revenue is based on a Per Pupil Unit
 - FY17 - \$193
 - FY18 - \$292
 - **FY19 - \$380**
 - **FY 20 - \$380**
 - **FY21 - \$380**
 - **FY22 - \$380**

<u>LTFM</u>				
2022-2023 Adjust PU		1,593.20		1,631.20
Building Age		39.87		38.87
Equalized Revenue = \$380.00 PU X 1,593.20		\$ 605,416.00		\$ 619,856.00
2020 Ag Modified ANTC		\$ 13,633,312.00		\$ 13,127,677.00
2019-2020 Actual Adj PU		1,710.06		1,755.82
				18-19
FY20 ANTC Per APU				
13,633,312 / 1,710.06 =		\$ 7,972.42		
Statewide ANTC/APU		\$ 9,596.79		
LTFM Equalizing Factor				
123% x 7,972.42		\$ 11,804.05		
Levy Ratio				
7,972.42 / 11,804.05 =		0.6575397		
LTFM Aid Ratio		0.324603		
<u>State Aid =</u>				
.32460300 x 605,416 =		\$ 196,519.85		\$ 206,077.41
<u>Equalized Levy</u>				
605,416- 196,519.85=		\$ 408,896.15		\$ 413,778.59
Unequalized Additional Levy Authority		\$ -		
TOTAL LTFM REVENUE		\$ 605,416.00		

Explanation of Levy Changes

– Net Tax Capacity - NTC

- Lease Levy
- Change – *Decrease of (-\$961.00)*
- Used for Early Childhood Learning Center - \$160,792.60
 - Expires in 2023
- *Cosmos Learning Center - \$21,708*
 - New for FY20 but we had no levy authority

Long Term Debt – Voter Approved

- Building Project – 2015 Expires FY45

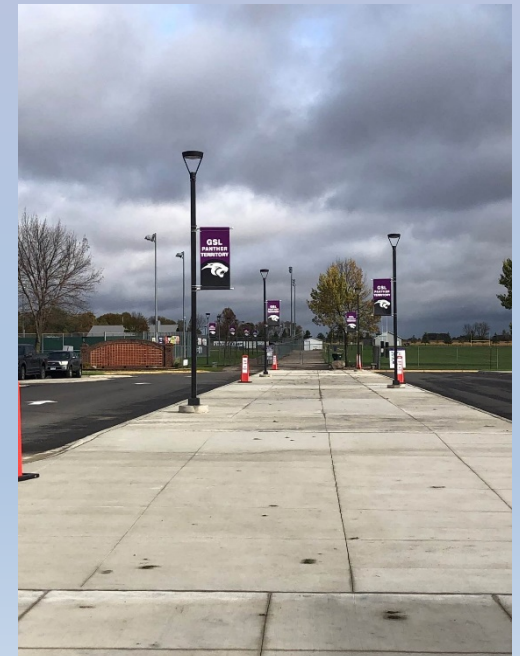
Levy Authority - \$1,383,893.49 Decrease of (\$9,871.00)

Levy Authority is based off of Bond Debt Schedule.



Long Term Debt – Non-Voter Approved

- Parking Lot – Decrease of \$-6,356.68
 - 10 Year Abatement Bond – 2019. Expires in FY29



Explanation of Levy Changes

— Net Tax Capacity - NTC

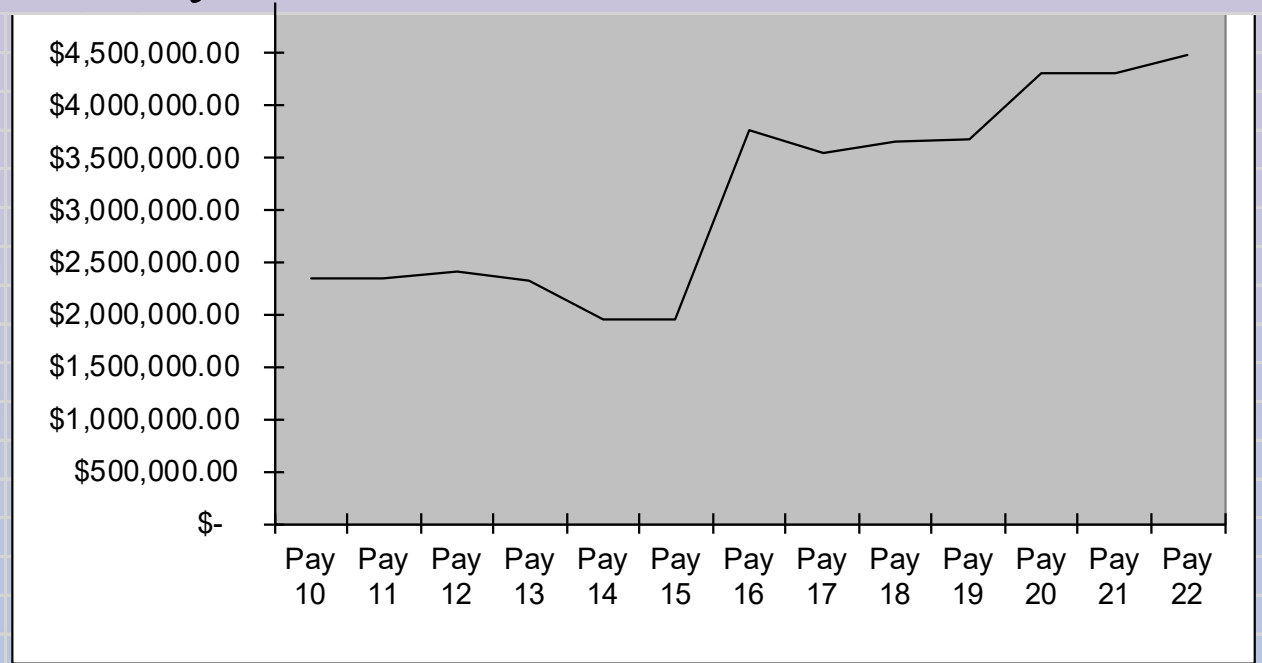
- Community Service — Decrease of \$-1,424.91
 - Community Ed
 - School Readiness- Aid
 - ECFE
 - Non-Public
 - Pre-School Screening
 - School Age Care — PAC



Community Service - ECFE Calculation					
	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022
Under 5 Population	593	578	574	584	579
ECFE Rate of Funding	\$ 145.18	\$ 145.18	\$ 151.04	151.04	157.85
Revenue Generated	\$ 86,091.74	\$ 83,914.04	\$ 86,696.96	\$ 88,207.36	91,395.15
2016 ANTC	13,853,320				
2017 ANTC		14,467,487			
2018 ANTC			15,397,703		
2019 ANTC				16,274,183	
2020 ANTC					16,894,326
ECFE Tax Rate	0.00312018	0.00291619	0.00276411	0.0025858	0.0024789
Funding					
Tax Rate X ANTC	\$ 43,224.85	\$ 42,189.94	\$ 42,560.94	\$ 42,081.78	\$ 41,879.34
Levy	\$ 43,224.85	\$ 42,189.94	\$ 42,560.94	\$ 42,081.78	\$ 41,879.34
State Aid	\$ 42,866.89	\$ 41,724.10	\$ 44,136.02	\$ 46,125.58	\$ 49,515.81

Pay Levy History

Pay 10	\$ 2,339,802.18
Pay 11	\$ 2,347,529.92
Pay 12	\$ 2,414,586.72
Pay 13	\$ 2,323,663.11
Pay 14	\$ 1,946,963.40
Pay 15	\$ 1,948,460.90
Pay 16	\$ 3,764,729.92
Pay 17	\$ 3,550,863.92
Pay 18	\$ 3,666,669.53
Pay 19	\$ 3,677,900.23
Pay 20	\$ 4,314,457.08
Pay 21	\$ 4,321,716.31
Pay 22	\$ 4,492,757.16



Pay 2010 - \$2,339,802.26
 Pay 2011 - \$2,347,529.92
 Pay 2012 - \$2,414,586.72
 Pay 2013 - \$2,323,663.11
 Pay 2014 - \$1,946,963.40
 Pay 2015 - \$1,948,460.90
 Pay 2016 - \$3,764,729.92

Pay 2017 - \$3,550,863.92
 Pay 2018 - \$3,666,669.53
 Pay 2019 - \$3,677,900.23
 Pay 2020 - \$4,314,457.08
 Pay 2021 - \$4,321,716.31
 Pay 2022 - \$4,492,757.16

Budget Information

- All school district budgets are divided into separate funds, based on purposes of revenues, as required by law. <file:///C:/Users/MSander/Downloads/School%20Finance%20in%20Minnesota.mp4>
 - General fund – includes transportation and capital expenditures
 - Food Service Fund
 - Community Service Fund
 - Debt Service Fund
 - Building Construction Fund
 - Trust Fund - Scholarships
 - Internal Service Fund
 - Student Activity Funds



Glencoe-Silver Lake Schools

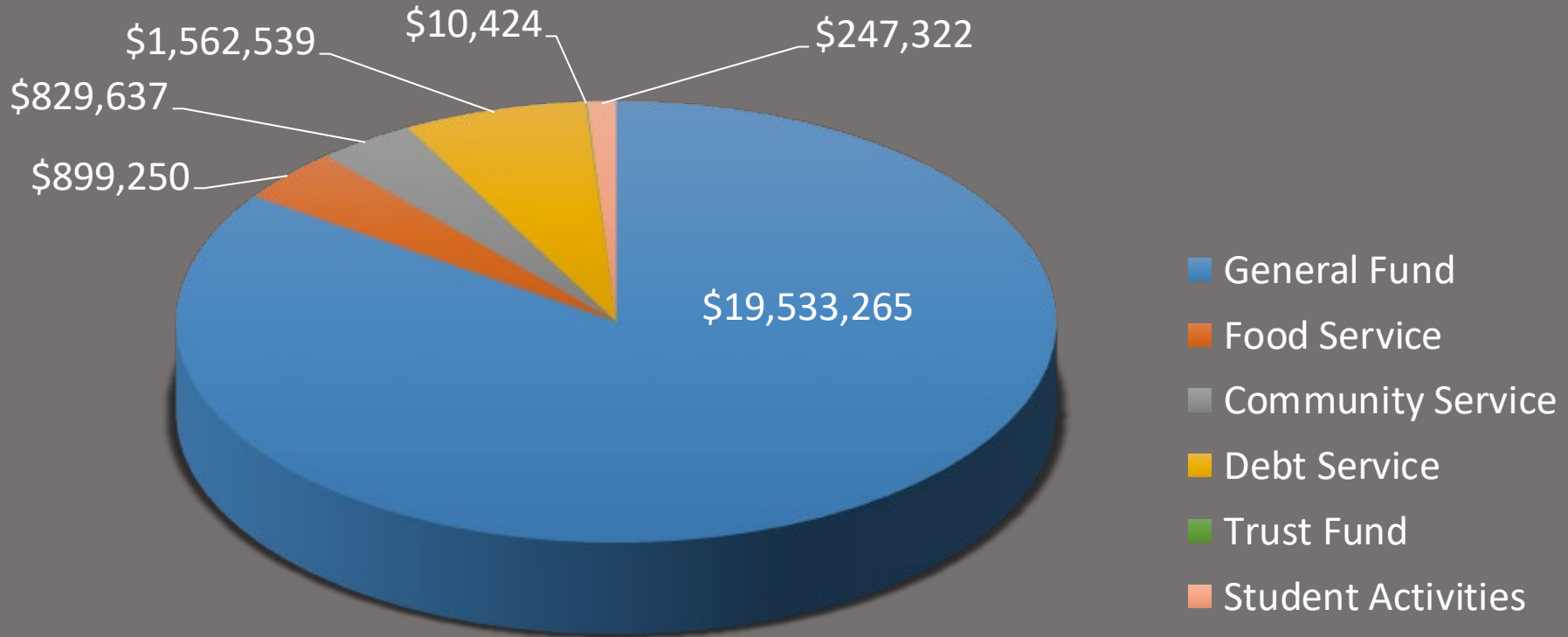
Revenues and Expenditures

Actual 2020-2021 Fiscal Year – Proposed Budget for 2021-2022

Fund	2020-2021 Actual Revenues	2020-2021 Actual Expenditure	June 30, 2021 Actual Fund Balance	2021-2022 Revenue Budget Original	2021-2022 Expenditure Budget Original
General Fund Total	\$19,533,265	\$19,487,949	\$5,045,421	\$18,781,732	\$18,802,555
Food Service	\$899,250	\$936,987	\$266,659	\$1,043,782	\$1,047,916
Community Service	\$829,637	\$748,643	\$314,497	\$829,475	\$855,685
Debt Service	\$1,562,539	\$1,539,988	\$320,748	\$1,547,580	\$1,539,038
Trust Fund	\$10,424	\$18,700	\$916,599	\$10,510	\$14,200
Student Activities Fund 10	\$94,356	\$109,650	\$104,846	\$152,700	\$83,000
Student Activities Fund 21	\$152,966	\$108,281	\$90,299	\$67,100	\$100,100
Total All Funds	\$23,182,438	\$22,945,448	\$7,059,069	\$22,432,879	\$22,422,494

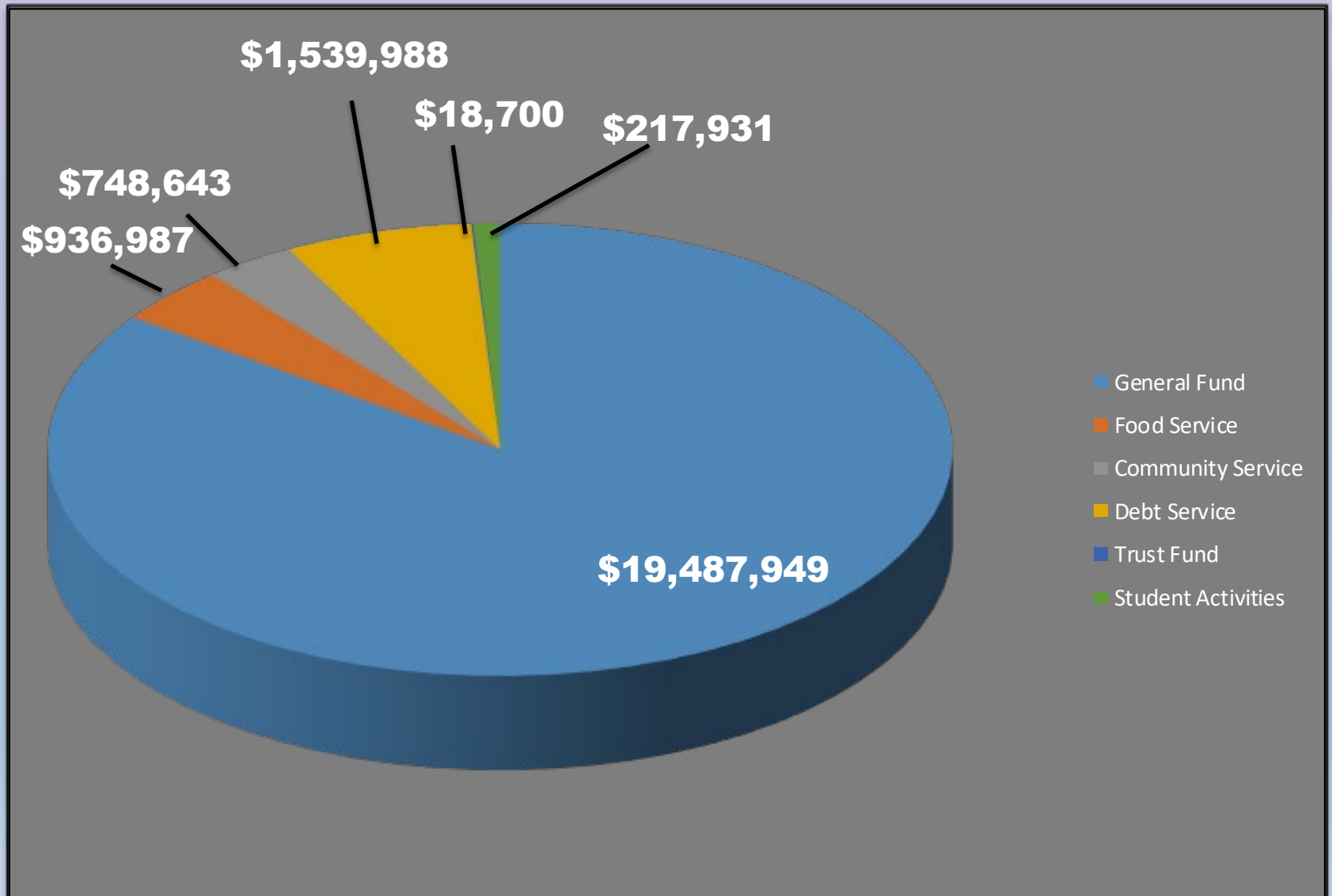
2020-2021 Revenues by Fund

\$23,182,438



2020-2021 Expenditures by Fund

\$22,945,448



Changes in 2021-2022 Revised Budget

- COVID - 19
- Enrollment
- ESSER
- **Staffing Changes**
- Transportation
- Utilities
- **Special Education**

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- Technology
- Contract Settlements
- Facilities Projects

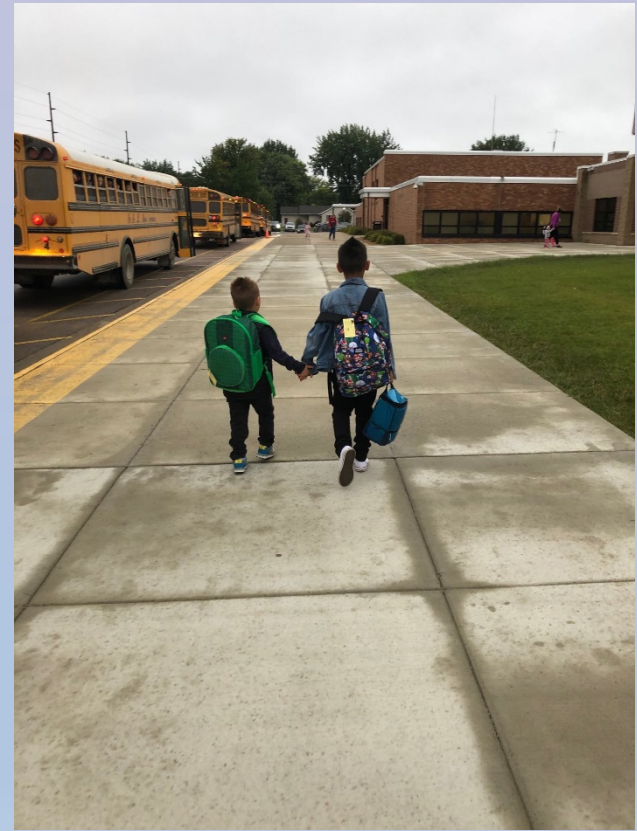


- Adjust General Education and Special Education Revenue

Summary

- Pay 2016 Levy - \$3,764,729.92
- Pay 2017 Levy - \$3,550,863.92 (-5.68%)
- Pay 2018 Levy - \$3,916,669.53 10.30% (Levy Authority)
- Pay 2018 Levy - \$3,666,669.53 3.26% (Underlevied)
- Pay 2019 Levy - \$3,677,900.23 .031%
- Pay 2020 Levy - \$4,314,457.08 17.31%
- Pay 2021 Levy - \$4,321,716.31 0.17%
- Pay 2022 Levy - \$4,492,757.16 3.96%

Public Comments and Discussion.....



Thank you for supporting Glencoe-Silver Lake Schools

www.gsl.k12.mn.us

- District
 - Administrative Departments
 - District Office
 - Budget
 - Audits
 - Truth In Taxation

