

Glencoe-Silver Lake School Truth in Taxation Hearing for Taxes Payable in 2019



December 10, 2018
Michelle Sander

Agenda for Hearing

- Background on School Funding, Tax Levies and Budgets
- Information on Proposed Pay 2019 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 2019

**The School District Levy
2018 Payable 2019**

Levy is Approved in 2018

Taxes are Paid in 2019

**Revenue is for the
2019-2020 School Year
FY 2020**

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, 2018 (6 months later)
- Fiscal year is July 1 through June 30

Levy Process -

1. **County Assessor** – Determines the estimated market values for each property in the County.
2. **Legislature**
3. – Sets the formulas for tax capacity. The levy formulas determine how much of the tax will fall on different types of property.
3. **County Auditor** – Calculates the tax capacity for each parcel of property
County Auditor – Determines the total tax capacity for the school district.
4. **Legislature** – Sets the formulas which determine levy limits.
5. **Minnesota Department of Education** – Calculates detailed levy limits for each school district based on the formulas.
6. **School Board** – Adopts a proposed levy in September based on limits. After the public hearing, adopts a final levy in December.
7. **County Auditor** – Divides the final levy by the districts' total tax capacity to determine the tax rate needed to raise the proper levy amount. The auditor multiplies this tax rate times each property's tax capacity to determine the school tax for that property.

Explanation of Levy Certification

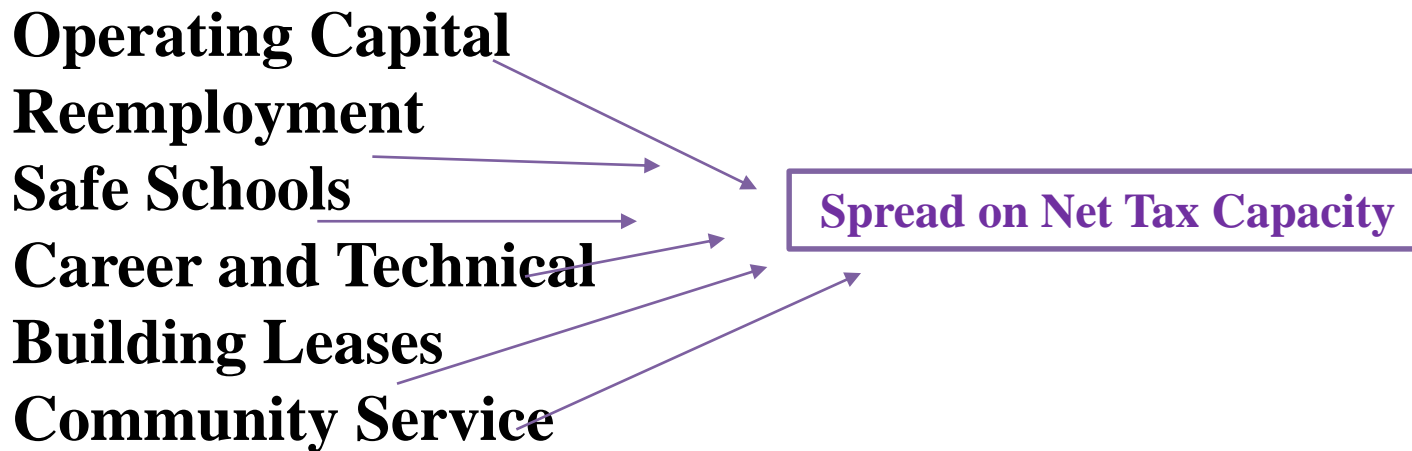
1. Voter Approved Levies:

- 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**
- 10. Operating Referendums**



Property Valuations

Market Values – Total Property Values of the District		% Growth
2013 Market Value	1,453,758,600	11.6% +151,111,200
2014 Market Value	1,635,174,762	12.4% +181,416,162
2015 Market Value	1,659,959,700	1.52% + 24,784,938
2016 Market Value	1,591,831,800	-4.10% -68,127,900
2017 Market Value	1,605,055,500	.8370% +13,223,700

Property Valuations

Referendum Market Values - Ag Land - Seasonal Properties		
2013 RMV	692,394,215	-1.88% - (-13,316,595)
2014 RMV	707,535,785	+2.19% - +15,141,570
2015 RMV	735,995,730	+4.0224 - +28,459,945
2016 RMV	767,609,675	+4.3% - +31,613,845
2017 RMV	849,897,350	+10.72% +82,287,675

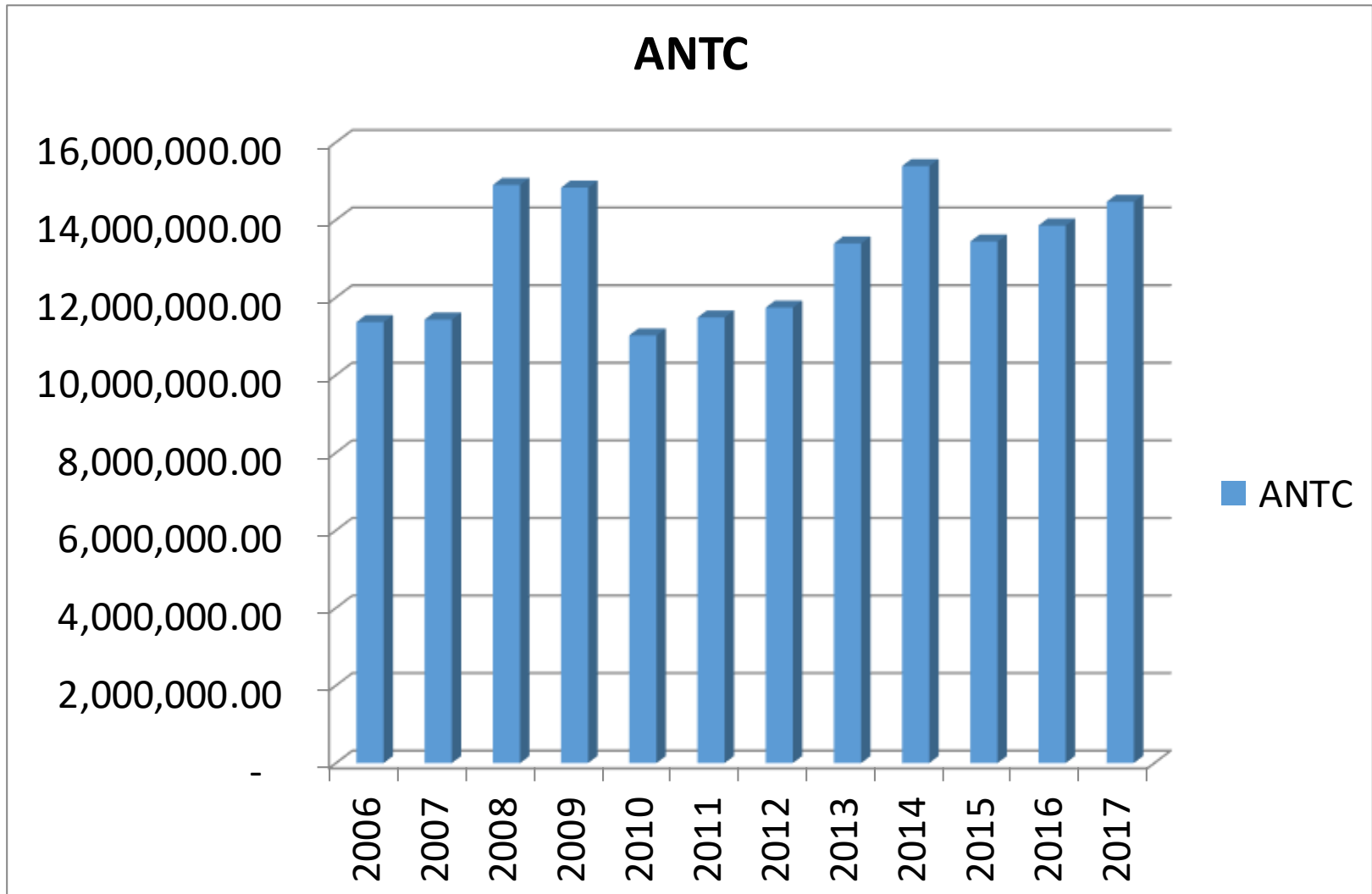
Property Valuations

Net Tax Capacity – Market Values X Class Rates		% Growth
2013 NTC	12,652,791	11% 1,242,979
2014 NTC	13,985,986	10.54% +1,333,195
2015 NTC	14,240,026	1.82% + 254,040
2016 NTC	13,946,204	-2.0634 -293,822
2017 NTC	14,503,844	+4% +557,640

Property Valuations

Adjusted Net Tax Capacity – NTC /Sales Ratio		
2013 ANTC	13,391,738	+14% +1,651,531
2014 ANTC	15,388,205	+14.9% +1,996,467
2014 AG Modified ANTC for LT FAC MAINT REVENUE	10,825,615	
2015 ANTC	13,441,976	-12.6% -1,946,229
2015 Ag Modified for LTFM Revenue	9,939,477	
2016 ANTC	13,853,320	+3.06% - +411,344
2016 Ag Modified for LTFM Revenue	10,549,015	
2017 ANTC	14,467,487	+4.43% +614,167
2017 Ag Modified for LTFM Revenue	11,677,068	+10.7% +1,128,053

Adjusted Net Tax Capacity



Resident Students

	2013-2014 Final 6-30-14	2014-2015 Final 6-30-15	2015-2016 Final 6-30-16	2016-2017 Final 6-30-17	2017-2018 Final 6-30-18
Pre-K	13.08	11.94	9.64	16.63	17.09
Kindergarten	120.51	132.81	128.04	127.21	131.60
1-2	280.94	272.93	254.10	271.03	270.37
3-6	579.16	573.40	578.03	565.59	585.26
7-8	310.42	300.27	304.60	317.13	310.06
9-12	628.51	654.96	643.62	632.33	651.89
Total	1,932.62	1,946.31	1,918.03	1,929.92	1,966.27

Adjusted Average Daily Membership

	2013- 2014 12-9-13 6-30-14	2014- 2015 12-8-14 6-30-15	2015- 2016 12-14-16 6-30-16	2016- 2017 12-12-16 6-30-17	2017-2018 12-11-17 6-30-18	2018-2019 12-10-18
Pre-K	12 12.56	10 11.46	15 9.14	10 15.43	10 16.40	10
Kdgn	101 100.32	102 104.07	110 112.51	110 112.60	112 111.80	115
1-2	242 242.53	221 219.94	213 207	210 217.88	226 224.40	219
3-6	487 484.31	470 470.73	473 479.01	468 471.78	456 458.44	458
7-8	252 246.41	253 249.77	249 251.44	245 265.81	278 270.68	259
9-12	512 511.07	510 508.10	520 500.98	512 496.69	507 509.18	522
Total	1,606 1597.20	1566 1564.07	1580 1560.08	1555 1580.19	1589 1,590.90	1,573

Example One – Residential Homestead - GSL

	Taxes Payable 2015	Taxes Payable 2016	Taxes Payable 2017	Taxes Payable 2018	Taxes Payable 2019
	Estimated Market Value \$129,600	Estimated Market Value \$134,900	Estimated Market Value \$137,000	Estimated Market Value \$147,100	Estimated Market Value \$157,800
Homestead Exclusion	\$25,600	\$25,100	\$24,900	\$24,000	\$23,000
Taxable Market Value	\$104,000	\$109,800	\$112,100	\$123,100	\$134,800
Voter Approved Levies	\$73.91	\$186.26	\$184.45	\$193.06	\$202.73
Other Local Levies	\$181.33	\$214.19	\$205.46	\$221.54	\$221.01
Total	\$255.47	\$400.45	\$389.84	\$414.60	\$423.74
Difference	\$-.13	+\$144.98	-\$10.61	+\$24.69	+\$9.14

Example Two – Agricultural Non-Homestead – GSL School

	Taxes Payable 2016	Taxes Payable 2017	Taxes Payable 2018	Taxes Payable 2019
	Estimated Market Value \$413,900	Estimated Market Value \$309,600	Estimated Market Value \$278,500	Estimated Market Value \$244,000
Homestead Exclusion	NA	NA	NA	Ag Land Credit \$96.66
Voter Approved Levies	\$404.25	\$311.12	\$161.70	\$144.99
Other Local Levies	\$364.98	\$226.41	\$194.40	\$172.39
Total	\$769.23	\$536.47	\$356.10	\$317.38
Difference	+\$511.29	-\$232.76	-\$180.37	\$-38.72

LEVY LIMITATION AND CERTIFICATION SUMMARY						
2018 PAYABLE 2019						
LEVY CATEGORY				Actual	Proposed Levy	Difference
				Payable in 2018	Payable in 2019	Payable in 2019
#1 - GENERAL - RMV VOTER						
	REFERENDUM LEVY			\$ 452,070.65	\$ 421,673.10	\$ (30,397.55)
#2 - GENERAL - RMV OTHER						
	EQUITY			\$ 190,169.91	\$ 191,925.44	\$ 1,755.53
	Local Optional			\$ 563,288.18	\$ 509,743.79	\$ (53,544.39)
	TRANSITION			\$ 45,110.68	\$ 40,731.42	\$ (4,379.26)
	TOTAL RMV OTHER			\$ 798,568.77	\$ 742,400.65	\$ (56,168.12)
#4 - GENERAL - NET TAX CAPACITY OTHER						
Aid/Levy	Operating Capital			\$ 131,315.32	\$ 138,028.28	\$ 6,712.96
Levy	Reemployment Ins.			\$ 2,971.16	\$ 9,135.02	\$ 6,163.86
Levy	Safe Schools			\$ 62,722.80	\$ 61,248.96	\$ (1,473.84)
Levy	Career and Technical			\$ 50,003.69	\$ 85,065.24	\$ 35,061.55
Levy	Health and Safety			\$ -		
Levy	Deferred Maintenance			\$ (2,809.60)		\$ 2,809.60
Levy/Aid	Long Term Facilities Maintenance			\$ 439,637.57	\$ 435,050.14	\$ (4,587.43)
Levy	Long Term Facilities Maintenance			\$ 3,159.68		\$ (3,159.68)
Levy	Building Lease			\$ 160,792.60	\$ 160,792.60	\$ -
Levy	NTC JOBZ Exempt					
	Abatement Adjustment			\$ 6,671.67	\$ (940.12)	\$ (7,611.79)
	Total General NTC			\$ 854,464.89	\$ 888,380.12	\$ 33,915.23
TOTAL GENERAL FUND				\$ 2,105,104.31	\$ 2,052,453.87	\$ (52,650.44)
#5 - COMMUNITY SERVICE						
	Community Education			\$ 103,428.10	\$ 103,428.10	\$ -
	ECFE			\$ 43,183.72	\$ 42,189.94	\$ (993.78)
	Home Visiting			\$ 799.85	\$ 772.23	\$ (27.62)
	School Age Care			\$ 10,000.00	\$ 12,000.00	\$ 2,000.00
	Abatement Adjustment			\$ 631.55	\$ (159.21)	\$ (790.76)
	Total Community Service			\$ 158,043.22	\$ 158,231.06	\$ 187.84
#7 - General Debt Service - Non- Voter Approved						
	Building Bond			\$ 1,403,522.00	\$ 1,462,690.00	\$ 59,168.00
	Abatement Adjustment				\$ 4,525.30	\$ 4,525.30
	Total Debt Service			\$ 1,403,522.00	\$ 1,467,215.30	\$ 63,693.30
TOTAL PAY LEVY				\$ 3,666,669.53	\$ 3,677,900.23	\$ 11,230.70
					\$ 11,230.70	\$ 11,230.70
					0.31%	

Explanation of Levy Changes – RMV Tax Calculations

- Voter Approved and RMV Other
 - Referendum, Equity, Local Option and Transition
- Change – \$-56,168.12
- Use of Funds – General Operating Expenses
- Adjusted Per Pupil Unit - \$476.88
- Resident Students are used for State Aid Calculations and Adjusted Pupil Units for Levy Calculations
- FY17 and FY19 Adjustments
- State Aid and Local Levy

Explanation of Levy Changes – Net Tax Capacity - NTC

- Operating Capital Levy
- Change – \$6,712.96
- Use of Funds – equipment, building maintenance, leases, salaries, vehicles
- State Aid and local levy
- Calculation based on 2018-2019 Estimated APU – 1,786.20 – (1,623 ADM)

Operating Capital Revenue - Page 3

Average Building Age	34.87
Facilities Age Index	
1 +. 01 x 34.87	1.3487
Operating Capital Allowance	
\$79 + \$109 x 1.3487	226.01
Estimated 2019-20 Adjusted PU	
1,711.00 x 226.01	386,703.11

Operating Capital Aids and Levy - Page 6

Operating Capital Revenue	386,703.11
2019-2020 APU	1,711.00
2017 ANTC	14,467,487
FY20 ANTC/ADJ PU	8,455.57
Levy Ratio - lesser of 1 or	
8,455.57 / 22,912	0.36904548

<u>Levy Limit</u>	
.36904548 x 386,703.11	142,711.03

<u>State Aid</u>	
386,703.11 - 142,711.03	243,992.08

Explanation of Levy Changes – Net Tax Capacity - NTC

- Reemployment Insurance
- Change – \$6,163.86
- Used for unemployment
- Based on estimates for 2019-2020 and FY17 actual expenses.
- Local Levy

Explanation of Levy Changes – Net Tax Capacity - NTC

- Safe Schools
- Change – (-\$1,473.84)
- 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 – \$35,061.55
- 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 - (\$ 7,747.11)
- 10 Year Plan – Needs to be updated annually
 - Revenue is based on a Per Pupil Unit
 - FY17 - \$193
 - FY18 - \$292
 - **FY19 - \$380**

<u>LTFM</u>				
2019-2020 Adju PU			1,711.00	
Building Age			39.4	
Equalized Revenue = \$380.00 PU X 1,711.00			\$ 650,180.00	
2017 Ag Modified ANTC			\$ 11,677,068.00	
2016-17 Actual Adj PU			1,732.76	
FY17 ANTC Per APU				
11,677,068/1,732.76 =			\$ 6,739.00	
Statewide ANTC/APU			\$ 8,124.44	
LTFM Equalizing Factor				
123% x 8,124.44			\$ 9,993.06	
Levy Ratio				
6,739.00 / 9,993.06 =			0.674368%	
LTFM Aid Ratio			0.325632%	
<u>State Aid =</u>				
.325632 x 650,180.00 =			\$ 211,719.41	
<u>Equalized Levy</u>				
.674368 x 650180.00 =			\$ 438,460.59	
Unequalized Additional Levy Authority			\$ -	
TOTAL LTFM REVENUE			\$ 650,180.00	

Long Term Debt

- Building Project

Levy Authority - \$1,462,690.00 Increase of \$59,168.00

Levy Authority is based off of Bond Debt Schedule.



Explanation of Levy Changes – Net Tax Capacity - NTC

- Community Service – \$187.84

- Community Ed
- School Readiness- Aid
- ECFE
- Non-Public
- Pre-School Screening
- School Age Care – PAC



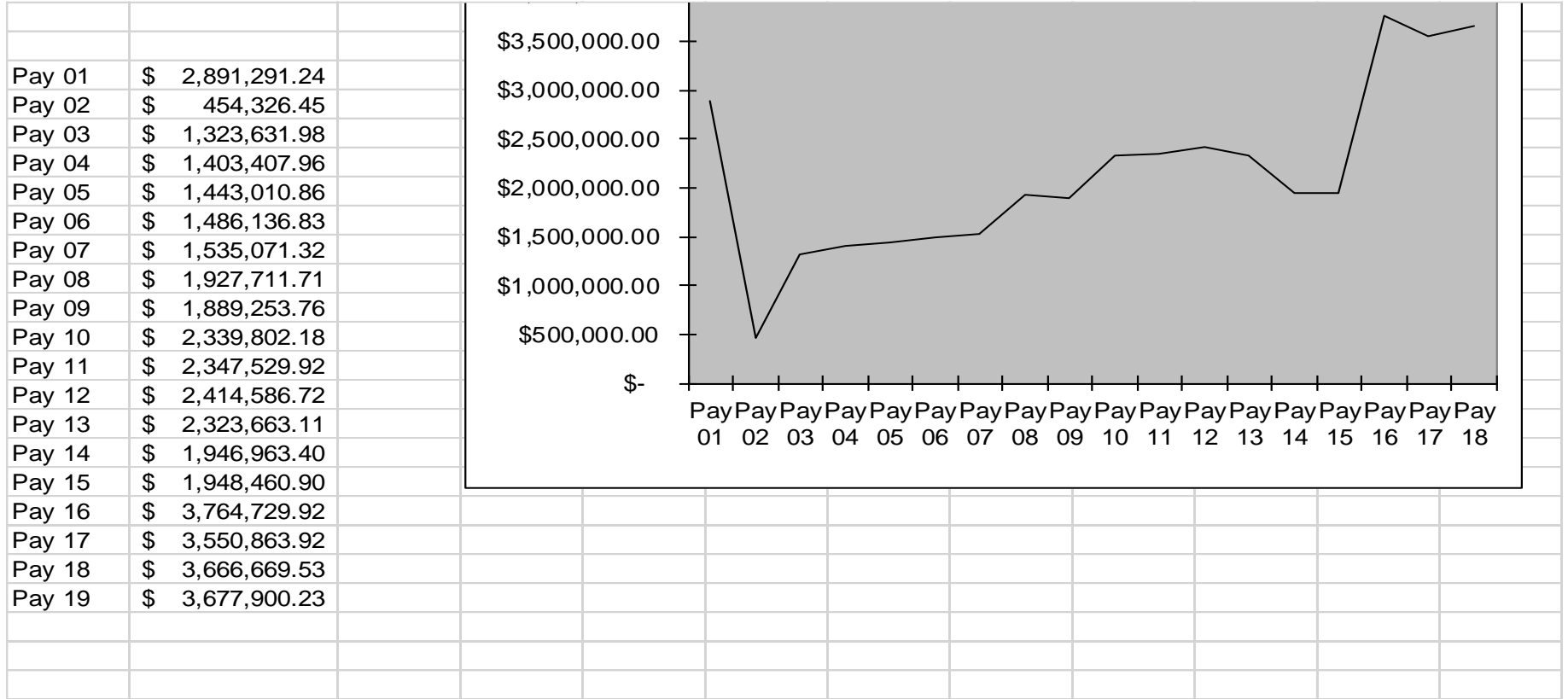
Community Service - ECFE Calculation					
	Pay 2015	Pay 2016	Pay 2017	Pay 2018	Pay 2019
Under 5 Population	673	631	594	593	578
ECFE Rate of Funding	\$ 134.11	\$ 139.54	\$ 139.54	\$ 145.18	\$ 145.18
Revenue Generated	\$ 90,256.03	\$ 88,049.74	\$ 82,886.76	\$ 86,091.74	\$ 83,914.04
2013 ANTC	13,391,738				
2014 ANTC		15,388,205			
2015 ANTC			13,441,976		
2016 ANTC				13,853,320	
2017 ANTC					14,467,487
ECFE Tax Rate	0.00376865	0.0033993	0.00327606	0.00312018	0.00291619
Funding					
Tax Rate X ANTC	\$ 50,468.77	\$ 52,309.13	\$ 44,036.72	\$ 43,224.85	\$ 42,189.94
Levy	\$ 50,468.77	\$ 52,309.13	\$ 44,036.72	\$ 43,224.85	\$ 42,189.94
State Aid	\$ 39,787.26	\$ 35,740.61	\$ 38,850.04	\$ 42,866.89	\$ 41,724.10
					30



SR Classes



Pay Levy History



Pay 2001 - \$2,891,291.24

Pay 2002 - \$ 454,326.45

Pay 2003 - \$1,323,631.98

Pay 2004 - \$1,403,407.96

Pay 2009 - \$1,889,253.76

Pay 2011 - \$2,347,529.92

Pay 2013 - \$2,323,663.11

Pay 2005 - \$1,443,010.86

Pay 2006 - \$1,486,136.83

Pay 2007 - \$1,535,071.32

Pay 2008 - \$1,737,012.06

Pay 2010 - \$2,339,802.26

Pay 2012 - \$2,414,586.72

Pay 2014 - \$1,946,963.40

Pay 2015 - \$1,948,460.90

Pay 2016 - \$3,764,729.92
(Building Bond)

Pay 2017 - \$3,550,863.92

Pay 2018 - \$3,666,669.53

Pay 2019 - \$3,677,900.23

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



Glencoe-Silver Lake Schools

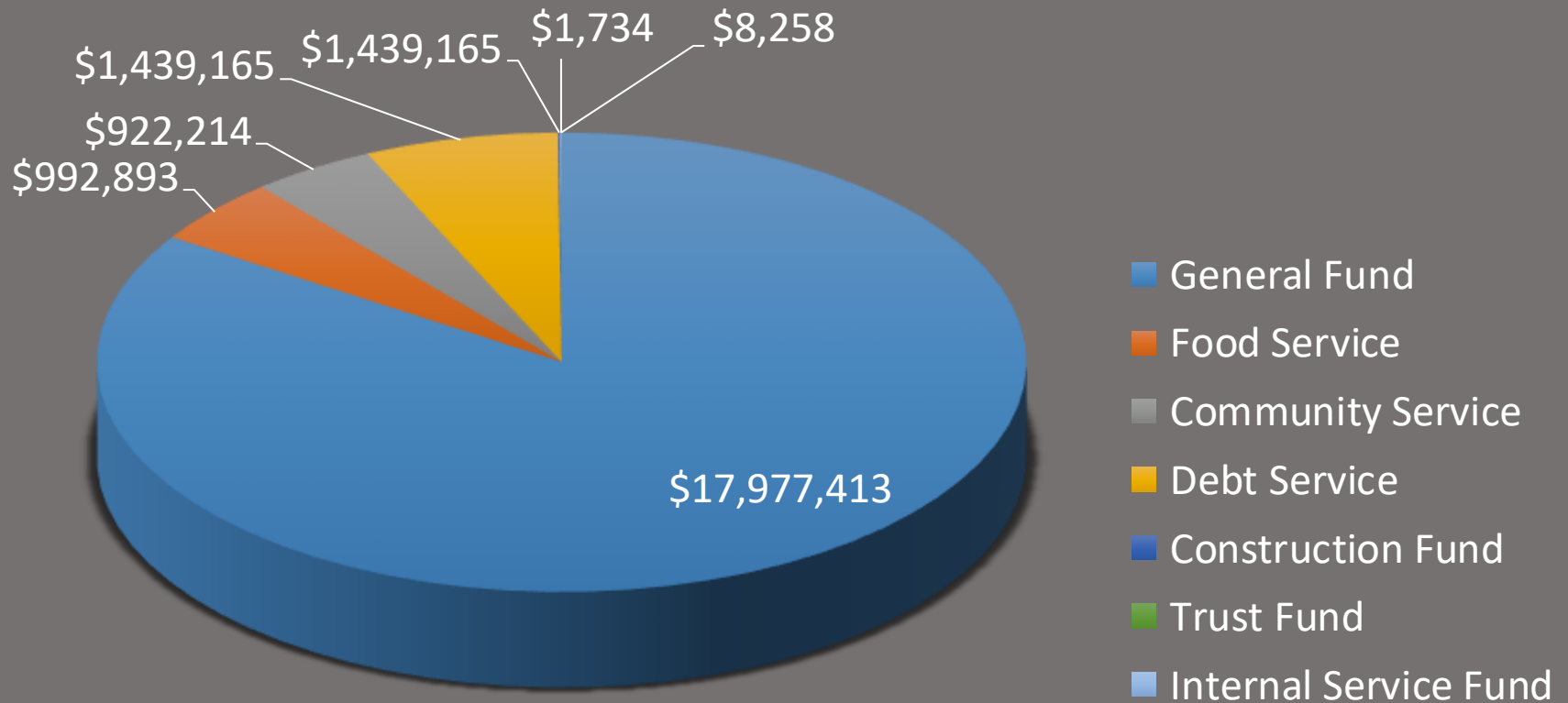
Revenues and Expenditures

Actual 2018 Fiscal Year – Proposed Budget for 2018-2019

Fund	2017-2018 Actual Revenues	2017-2018 Actual Expenditures	June 30, 2018 Actual Fund Balance	2018-2019 Revenue Budget Original	2018-2019 Expenditure Budget Original
General Fund Total	\$17,977,413	\$18,484,630	\$4,620,334	\$17,885,521	\$18,360,534
Food Service	\$992,893	\$968,777	\$278,120	\$935,044	\$946,834
Community Service	\$922,214	\$889,974	\$284,605	\$813,326	\$833,052
Building Construction	\$18,581	\$7,374,464	-\$1,815,235	\$	\$66,148
Debt Service	\$1,439,165	\$1,335,338	\$135,870	\$1,403,522	\$1,337,138
Trust Fund	\$1,734	\$19,200	\$911,879	\$6,200	\$15,200
Internal Service Fund	\$8,258	\$0	\$824,895	\$5,000	\$0
Total All Funds	\$20,857,937	\$27,330,123	\$5,240,468	\$21,048,613	\$21,558,906

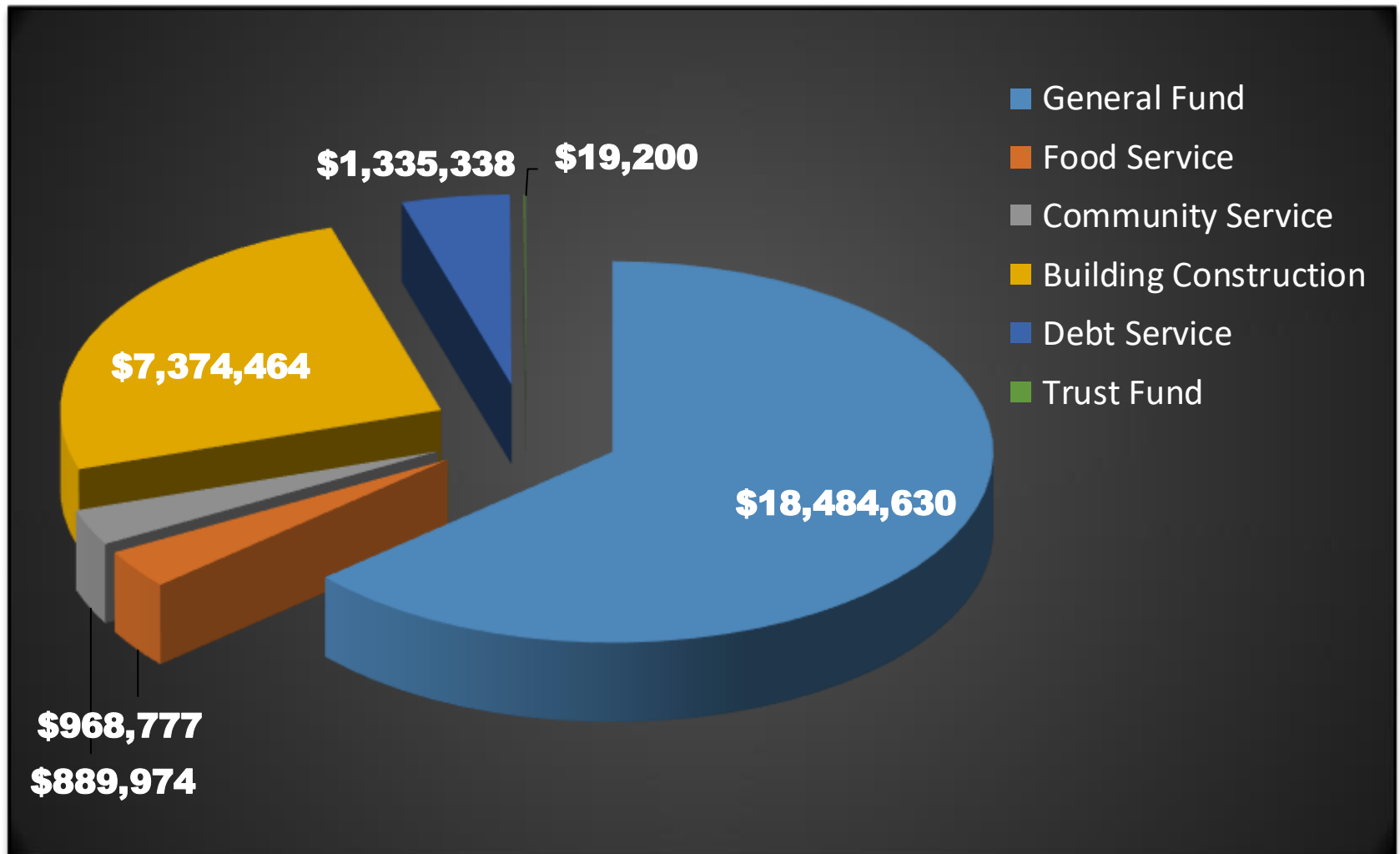
2017-2018 Revenues by Fund

\$20,857,937



2017-2018 Expenditures by Fund

\$27,330,123



Changes in 2018-2019 Revised Budget

- Contract settlements
- **Staffing Changes**
- **Transportation**
- Utilities
- **Special Education**
 - <C:\Users\MSander\Downloads\MASBO Cross-Subsidy Final Web.>
- Technology
- **Facilities – Building Project**
- Adjust General Education and Special Education Revenue
- **Enrollment**



Summary

- Pay 2012 Levy - \$2,414,586.72
- Pay 2013 Levy - \$2,323,663.11
- Pay 2014 Levy - \$1,946,963.40
- Pay 2015 Levy - \$1,948,460.90
- 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%

Public Comments and Discussion.....



Thank you for supporting Glencoe-Silver Lake Schools

www.gsl.k12.mn.us



Stensvad's ready for 40th first day

By John Mueller
Editor

Roxanne Stensvad knows the anticipation of the first day of a new school year. She's had plenty of practice managing the anticipation preceeding the arrival of students for another school year.

Stensvad will welcome the opening of her 40th school year Tuesday, Sept. 4, when a new batch of students in her biology, human anatomy and college biology classes arrive in her classroom at Glencoe-Silver Lake High School Sept. 4. She is a senior most member of the GSL School District's licensed teaching staff. Chemistry teacher and next-door neighbor, Emily Koehler, was yet born when Stensvad taught first students in Glencoe. After two generations behind a desk, Stensvad still enjoys learning. She spent a portion of her summer vacation in her classroom learning about the history of a college in the schools



Photo by John Mueller

GSL science teacher Roxanne Stensvad will welcome students to her classroom for the 40th year Tuesday when the 2018-19 school year begins.

(CIS) class. She enjoys conversing with former students and receiving via email the lessons they are learning in college. Learning is one of her

favorite joys in life.
"Just because you get a degree in

Stensvad

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