

Glencoe-Silver Lake School Truth in Taxation Hearing for Taxes Payable in 2017



December 12, 2016
Michelle Sander

Agenda for Hearing

- Background on School Funding, Tax Levies and Budgets
- Information on Proposed Pay 2017 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 2017

**The School District Levy
2016 Payable 2017**

Levy is Approved in 2016

Taxes are Paid in 2017

**Revenue is for the
2017-2018 School Year
FY 2018**

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, 2017 (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.

Operating Capital
Community Education
Integration
Career and Technical
Equity
Building/Land Leases
ECFE
Reemployment
Safe Schools

Health and Safety
Deferred Maintenance

Long Term Facilities
Maintenance Revenue

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**
- 9. Building Construction**



Property Valuations

Market Values – Total Property Values of the District		% Growth
2011 Market Value	1,281,790,800	-2.176% -28,515,238
2012 Market Value	1,302,647,400	1.627% + 20,856,600
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

Property Valuations

Referendum Market Values - Ag Land - Seasonal Properties		
2011 RMV	741,795,340	-2.817% -(-21,504,355)
2012 RMV	705,710,810	-4.864% - (-36,084,530)
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

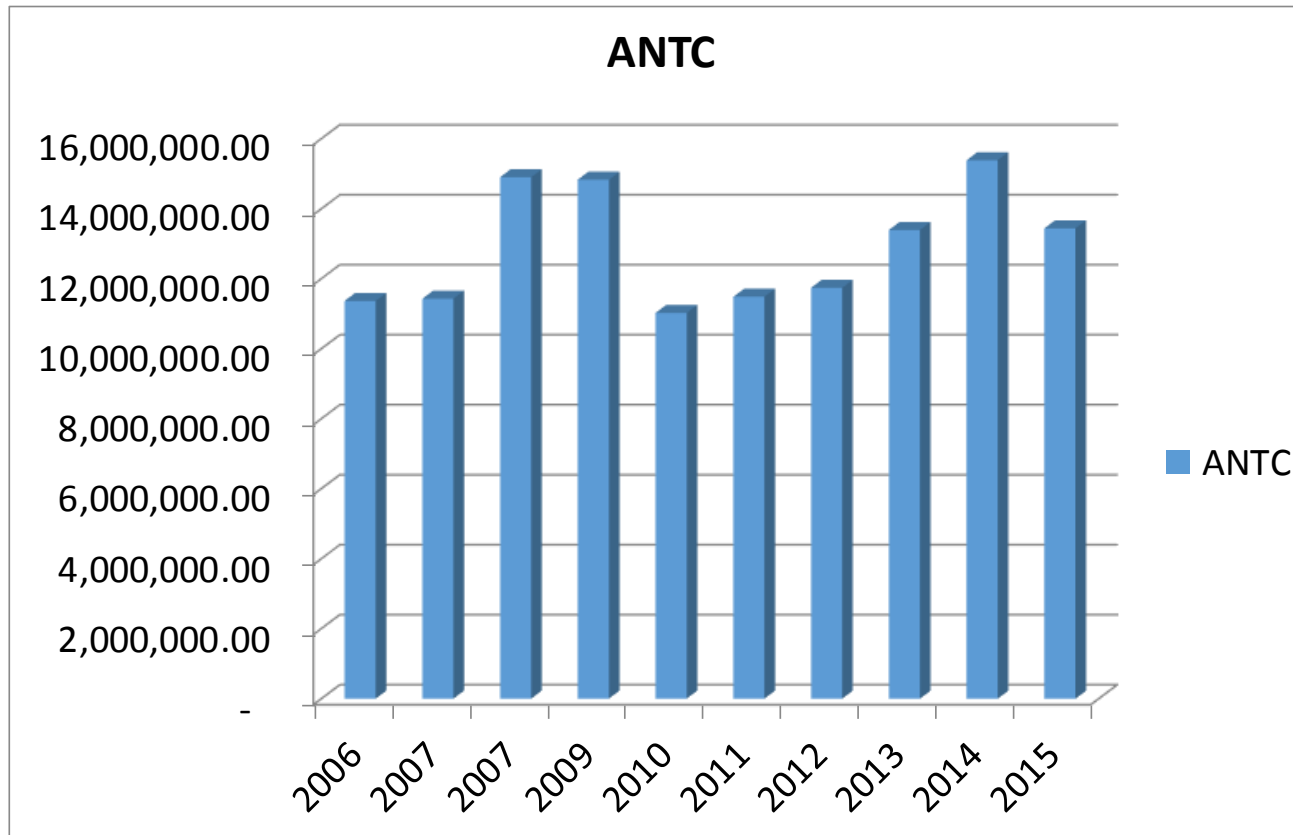
Property Valuations

Net Tax Capacity – Market Values X Class Rates		% Growth
2011 NTC	11,268,273	-9.439% - (1,174,505)
2012 NTC	11,409,812	1.256% - 141,539
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

Property Valuations

Adjusted Net Tax Capacity – NTC /Sales Ratio		
2011 ANTC	11,486,375	3.283% - 365,129
2012 ANTC	11,740,207	3% - 253,832
2013 ANTC	13,391,738	14% - 1,651,531
2014 ANTC 2014 AG Modified ANTC for LT FAC MAINT REVENUE	15,388,205 10,825,615	14.9% - 1,996,467
2015 ANTC 2015 Ag Modified for LTFM Revenue	13,441,976 9,939,477	-12.6% - 1,946,229

Adjusted Net Tax Capacity



Resident Students

	2011- 2012 Final 6-30-12	2012-2013 Final 6-30-13	2013-2014 Final 6-30-14	2014-2015 Final 6-30-15	2015-2016 Final 6-30-16
Pre-K	13.95	11.06	13.08	11.94	9.64
Kindergarten	131.92	155.97	120.51	132.81	128.04
1-2	296.09	277.24	280.94	272.93	254.10
3-6	562.91	563.94	579.16	573.40	578.03
7-8	297.74	289.78	310.42	300.27	304.60
9-12	644.67	638.85	628.51	654.96	643.62
Total	1,947.28	1,936.84	1,932.62	1,946.31	1,918.03

Adjusted Average Daily Membership

	2010- 2011 12-6-10 6-30-11	2011- 2012 12-6-10 6-30-12	2012- 2013 9-4-12 6-30-13	2013- 2014 12-9-13 6-30-14	2014- 2015 12-8-14 6-30-15	215- 2016 12-14-16 6-30-16
Pre-K	15 / 14.72	15/ 14.17	15/ 11.07	12 12.56	10 11.46	15 9.14
Kdgn	133 132.07	125 112.95	138 134.45	101 100.32	102 104.07	110 112.51
1-2	244 244.47	259 251.8	243 237.43	242 242.53	221 219.94	213 207
3-6	469 472.74	470 472.74	497 476.21	487 484.31	470 470.73	473 479.01
7-8	279 277.27	264 257.88	256 240.68	252 246.41	253 249.77	249 251.44
9-12	567 568.79	581 551.75	538 534.29	512 511.07	510 508.10	520 500.98
Total	1,707 1,710.06	1,714 1,661.29	1,687 1,634.13	1,606 1597.20	1566 1564.07	1580 1560.08

Enrollment Options – 2015-2016

	Enrolled In	Enrolled Out Open Enrolled, Charter, Tuition	Home Schooled
EC	0	1	0
Kindergarten	6	22	1
1st	6	34	12
2nd	7	25	2
3rd	3	35	9
4th	8	36	8
5th	12	31	3
6th	6	29	5
7th	2	40	8
8th	5	21	8
9th	11	43	3
10th	4	48	4
11th	8	34	2
12th	9	54	1
	87	453	66

Example One – Residential

	Taxes Payable 2013	Taxes Payable 2014	Taxes Payable 2015	Taxes Payable 2016	Taxes Payable 2017
	Estimated Market Value \$135,100	Estimated Market Value \$124,500	Estimated Market Value \$129,600	Estimated Market Value \$134,900	Estimated Market Value \$137,000
Homestead Exclusion	\$25,100	\$26,000	\$25,600	\$25,100	\$24,900
Taxable Market Value	\$110,000	\$98,500	\$104,000	\$109,800	\$112,100
Voter Approved Levies	\$221.00	\$67.18	\$73.91	\$186.26	\$184.30
Other Local Levies	\$100.32	\$188.42	\$181.33	\$214.19	\$205.54
Total	\$321.32	\$255.60	\$255.47	\$400.45	\$389.84
Difference	-\$34.50	-\$65.72	\$-.13	+\$144.98	-\$10.61

Example Two – Residential Homestead - GSL

	Taxes Payable 2014	Taxes Payable 2015	Taxes Payable 2016	Taxes Payable 2017
	Estimated Market Value \$95,300	Estimated Market Value \$107,900	Estimated Market Value \$112,300	Estimated Market Value \$121,200
Homestead Exclusion	\$28,700	\$27,500	\$27,100	\$26,300
Taxable Market Value	\$66,600	\$80,400	\$85,200	\$94,900
Voter Approved Levies	\$51.42	\$61.55	\$149.20	\$158.89
Other Local Levies	\$138.85	\$147.71	\$173.02	\$178.82
Total	\$190.27	\$209.25	\$322.22	\$337.71
Difference	-\$53.27	+\$18.98	+\$ 112.97	\$15.49

Example Two – Agricultural Non-Homestead – GSL School

	Taxes Payable 2014	Taxes Payable 2015	Taxes Payable 2016	Taxes Payable 2017
	Estimated Market Value \$648,100	Estimated Market Value \$415,100	Estimated Market Value \$413,900	Estimated Market Value \$309,600
Homestead Exclusion	NA	NA	NA	NA
Voter Approved Levies			\$404.25	\$310.37
Other Local Levies	\$440.71	\$257.11	\$364.98	\$226.10
Total	\$440.71	\$257.94	\$769.23	\$536.47
Difference	+\$96.90 – 29%	-\$183.60	+\$511.29	-\$232.76

**LEVY LIMITATION AND CERTIFICATION SUMMARY
2016 PAYABLE 2017**

LEVY CATEGORY		Actual Payable in 2016	Proposed Levy Payable in 2017	Change Over 2016
#1 - GENERAL - RMV VOTER REFERENDUM LEVY		\$ 450,681.76	\$ 422,758.76	\$ (27,923.00)
#2 - GENERAL - RMV OTHER EQUITY		\$ 144,436.04	\$ 169,572.30	\$ 25,136.26
Local Optional		\$ 476,862.36	\$ 497,276.54	\$ 20,414.18
TRANSITION		\$ 36,770.92	\$ 39,858.57	\$ 3,087.65
			\$ -	
TOTAL RMV OTHER		\$ 658,069.32	\$ 706,707.41	\$ 48,638.09
#4 - GENERAL - NET TAX CAPACITY OTHER				
Levy	Student Achievement	\$ 46,164.62	\$ 18,818.77	\$ (27,345.85)
Aid/Levy	Operating Capital	\$ 245,049.91	\$ 143,812.64	\$ (101,237.27)
Levy	Reemployment Ins.	\$ 2,657.06	\$ (9,476.62)	\$ (12,133.68)
Levy	Safe Schools	\$ 60,218.70	\$ 65,910.96	\$ 5,692.26
Levy	Career and Technical	\$ 72,371.13	\$ 43,644.48	\$ (28,726.65)
Levy	Health and Safety	\$ 19,872.91	\$ 24,039.08	\$ 4,166.17
Levy	Deferred Maintenance	\$ (5,015.40)	\$ (3,210.24)	\$ 1,805.16
Levy/Aid	Long Term Facilities Maintenance	\$ 236,588.91	\$ 321,273.64	\$ 84,684.73
Levy	Long Term Facilities Maintenance	\$ 250,000.00	\$ 95,519.15	\$ (154,480.85)
Levy	Building Lease	\$ 160,792.60	\$ 160,792.60	\$ -
Levy	NTC JOBZ Exempt			\$ -
	Abatement Adjustment	\$ 200.24	\$ 473.41	\$ 273.17
	Total General NTC	\$ 1,088,900.68	\$ 861,597.87	\$ (227,302.81)
TOTAL GENERAL FUND		\$ 2,197,651.76	\$ 1,991,064.04	\$ (206,587.72)
#5 - COMMUNITY SERVICE				
	Community Education	\$ 103,428.10	\$ 103,428.10	\$ -
	ECFE	\$ 52,221.42	\$ 44,036.72	\$ (8,184.70)
	Home Visiting	\$ 942.40	\$ 747.01	\$ (195.39)
	School Age Care	\$ 10,000.00	\$ 10,000.00	\$ -
	Abatement Adjustment	\$ 95.74	\$ 64.82	\$ (30.92)
	Total Community Service	\$ 166,687.66	\$ 158,276.65	\$ (8,411.01)
#7 - General Debt Service - Non- Voter Approved				
	Building Bond	\$ 1,400,098.05	\$ 1,401,632.00	\$ 1,533.95
	Abatement Adjustment MW	\$ 292.45	\$ (108.77)	\$ (401.22)
	Total Debt Service	\$ 1,400,390.50	\$ 1,401,523.23	\$ 1,132.73
TOTAL PAY LEVY		\$ 3,764,729.92	\$ 3,550,863.92	\$ (213,866.00)

Explanation of Levy Changes

- Voter Approved Referendum
- Change – (\$27,923.00)
- Use of Funds – General Operating Expenses
- Adjusted Per Pupil Unit - \$476.88
- Resident Students
- FY15 and FY17 Adjustments
- State Aid and Local Levy

Explanation of Levy Changes

- Equity Levy
- Change – \$48,638.09
 - Equity, Location Equity and Transition
- Use of funds – General Operating Expenses
- State Aid and local levy
- When Referendum levy decreases, Equity Levy and Aid Increases.



Explanation of Levy Changes

- Operating Capital Levy
- Change – (101,237.85)
- Use of Funds – equipment, building maintenance, leases, salaries, vehicles
- State Aid and local levy
- Calculation based on 2017-2018 Estimated APU – 1,722 – (1,566 ADM)

Explanation of Levy Changes

- Reemployment Insurance
- Change – (-\$12,133.68)
- Used for unemployment
- Based on estimates for 2016-2017 and FY15 actual expenses.
- Local Levy



Explanation of Levy Changes

- Safe Schools
- Change – \$5,692.26
- Used for Supervision at events, police officer at events and safe schools items – radios, security cameras, crossing guards.
- Local Levy



Explanation of Levy Changes



- Career and Technical
- Change – (28,726.65)
- Used for vocational programs
- Local Levy

Explanation of Levy Changes

- Health and Safety – **Eliminated in FY16 – Still have H&S projects but Revenue stream changed to LTFMR**
- Change – \$4,166.17
- Use of funds – State-approved capital projects related to health and safety
- Local Levy
- Based on Actual



Explanation of Levy Changes

- Deferred Maintenance — **Eliminated in FY16**
- Levy Reduction — (\$3,210.24)
- Used for building projects having a useful life of five years or more.
- Local Levy



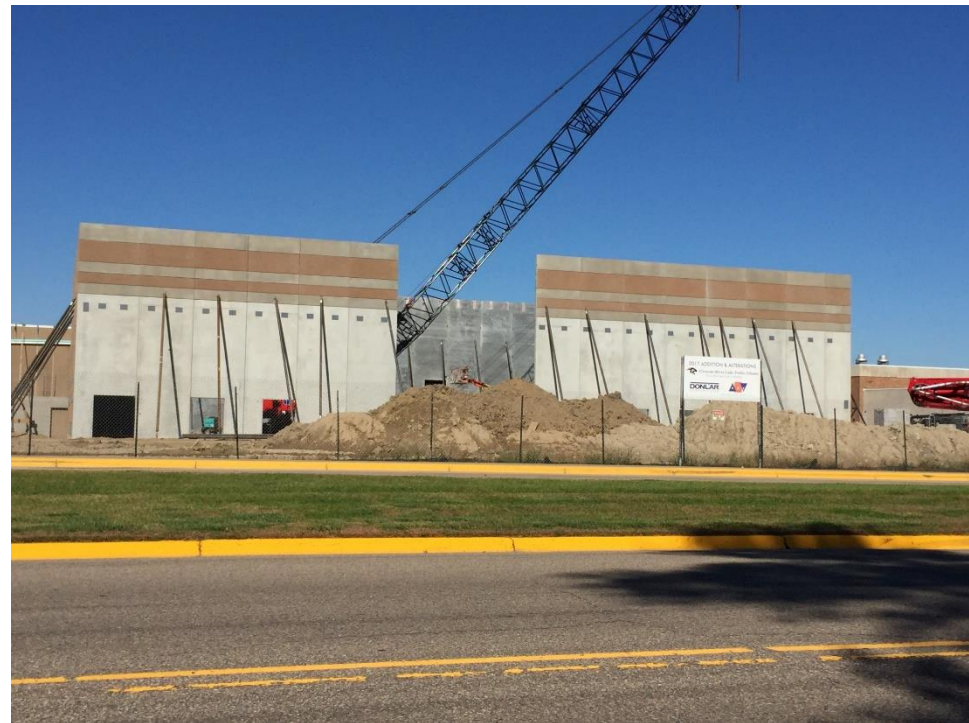
Long Term Facilities Maintenance Revenue

- New Levy/Aid Category 2016 – Replaces old Health and Safety and Deferred Maintenance
- Levy/Aid - +\$ 602,940.80
 - \$321,273.64 levy authority + \$181,667.16 additional State Aid. Levy Only - \$100,000.00
- Decrease of \$65,000 from FY17
- 10 Year Plan – Needs to be updated annually
 - Revenue is based on a Per Pupil Unit
 - FY17 - \$193
 - FY18 - \$292 and FY18 - \$380

Long Term Debt

- Building Project

Levy Authority - \$1,401,523.23 Increase of \$1,132.73



Explanation of Levy Changes

- Community Service – No Change
 - Community Ed
 - School Readiness- Aid
 - ECFE – (\$8,184.70)
 - Non-Public
 - Pre-School Screening
 - School Age Care – PAC



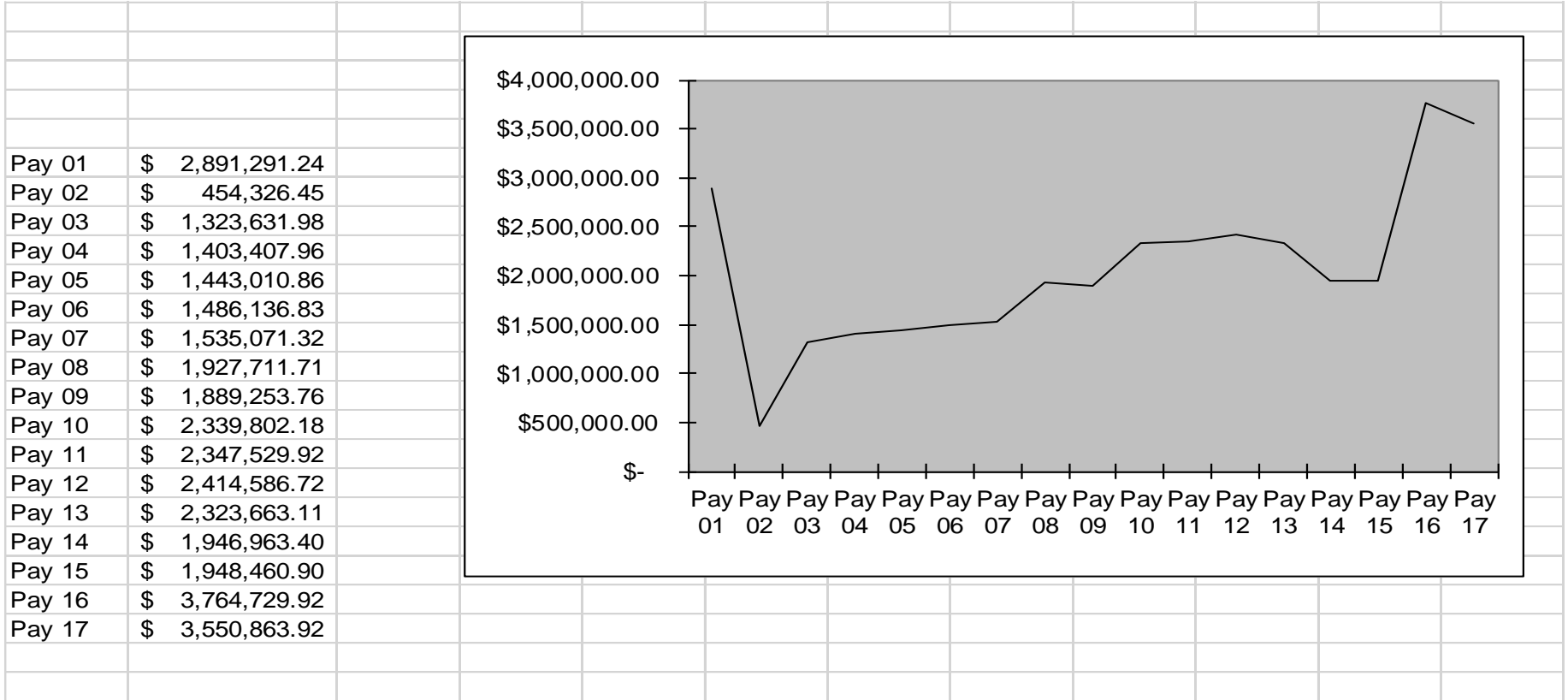


SR Class



Community Service				
	Pay 2014	Pay 2015	Pay 2016	Pay 2017
Under 5 Population	724	673	631	594
ECFE Rate of Funding	\$ 120.00	\$ 134.11	\$ 139.54	\$ 139.54
Revenue Generated	\$ 86,880.00	\$ 90,256.03	\$ 88,049.74	\$ 82,886.76
2011 ANTC				
2012 ANTC	11,947,470.00			
2013 ANTC		13,391,738		
2014 ANTC			15,388,205	
2015 ANTC				13,441,976
ECFE Tax Rate	0.00395906	0.00376865	0.0033993	0.00327606
Funding				
Tax Rate X ANTC	\$ 47,300.75	\$ 50,468.77	\$ 52,309.13	\$ 44,036.72
Levy	\$ 47,300.75	\$ 50,468.77	\$ 52,309.13	\$ 44,036.72
				33
State Aid	\$ 39,125.30	\$ 39,787.26	\$ 35,740.61	\$ 38,850.04

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

Budget Information

- All school district budgets are divided into separate funds, based on purposes of revenues, as required by law.
 - 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

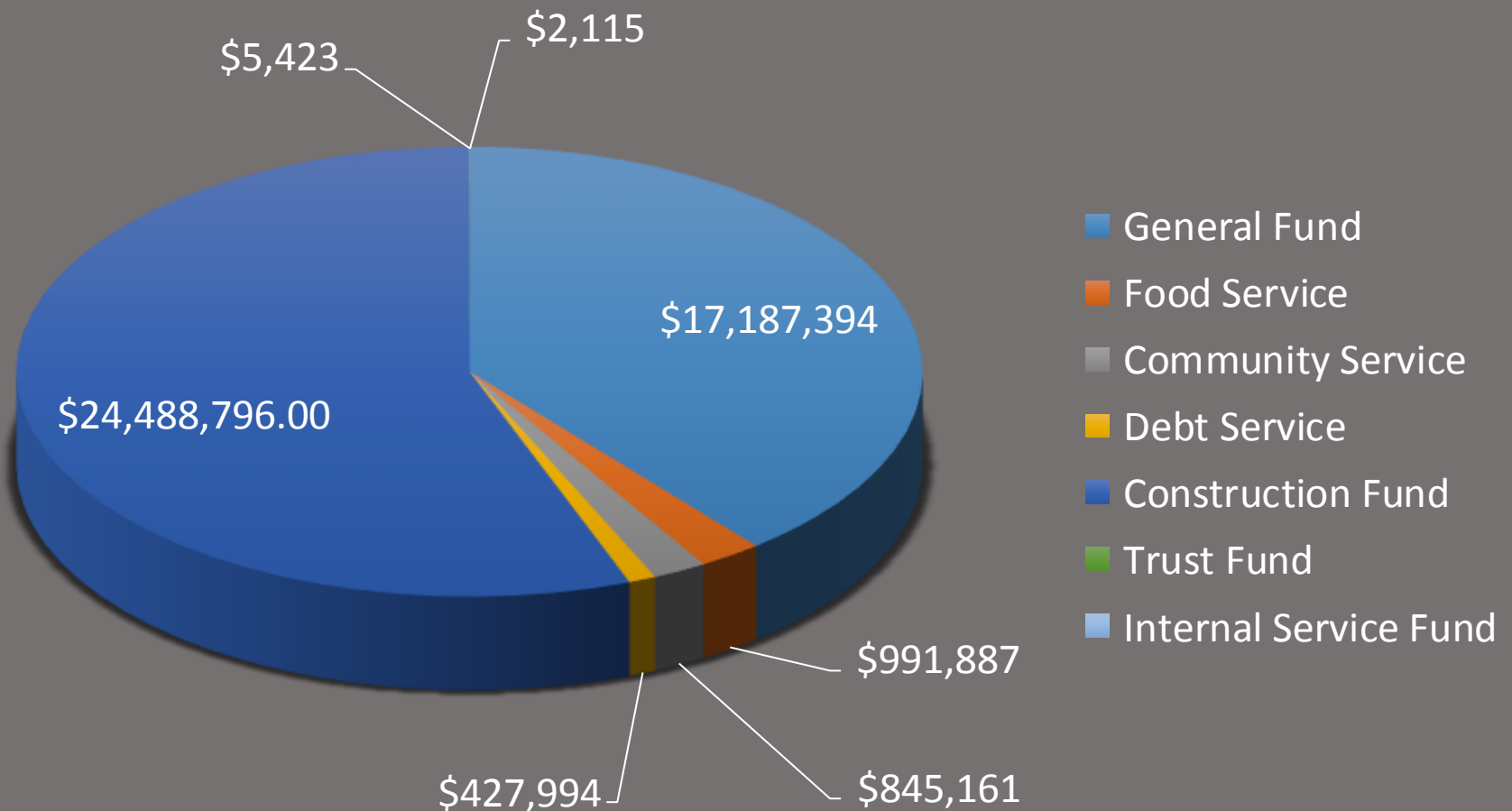
Revenues and Expenditures

Actual 2016 Fiscal Year – Proposed Budget for 2016-2017

Fund	2015-2016 Actual Revenues	2015-2016 Actual Expenditures	June 30,2016 Actual Fund Balance	2016-207 Revenue Budget Original	2016-2017 Expenditure Budget Original
General Fund Total	\$17,187,394	\$16,918,725	\$5,309,995	\$17,592,002	\$17,918,019
Food Service	\$991,887	\$952,733	\$173,477	\$1,022,778	\$1,020,781
Community Service	\$845,161	\$800,903	\$149,274	\$819,959	\$813,426
Building Construction	\$24,488,796	\$2,475,474	\$22,013,322	\$50,000	\$18,000,000
Debt Service	\$427,994	\$424,084	\$3,910	\$1,400,391	\$1,338,238
Trust Fund	\$5,423	\$15,700	\$941,374	\$2,900	\$13,700
Internal Service Fund	\$2,115	\$0	\$809,431	\$1,400	\$0
Total All Funds	\$43,948,770	\$21,587,619	\$29,400,783	\$20,889,430	\$39,104,164

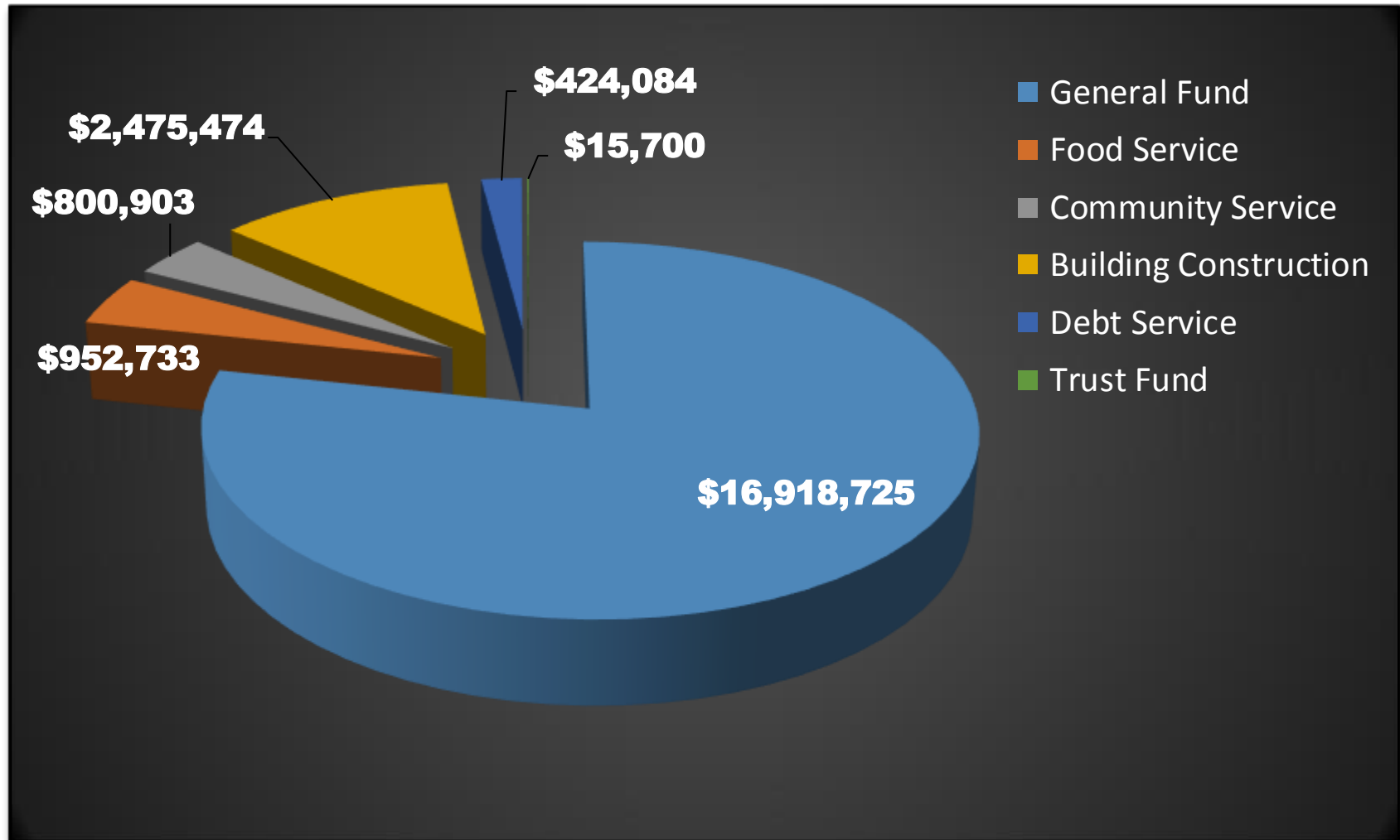
2015-2016 Revenues by Fund

\$43,948,770



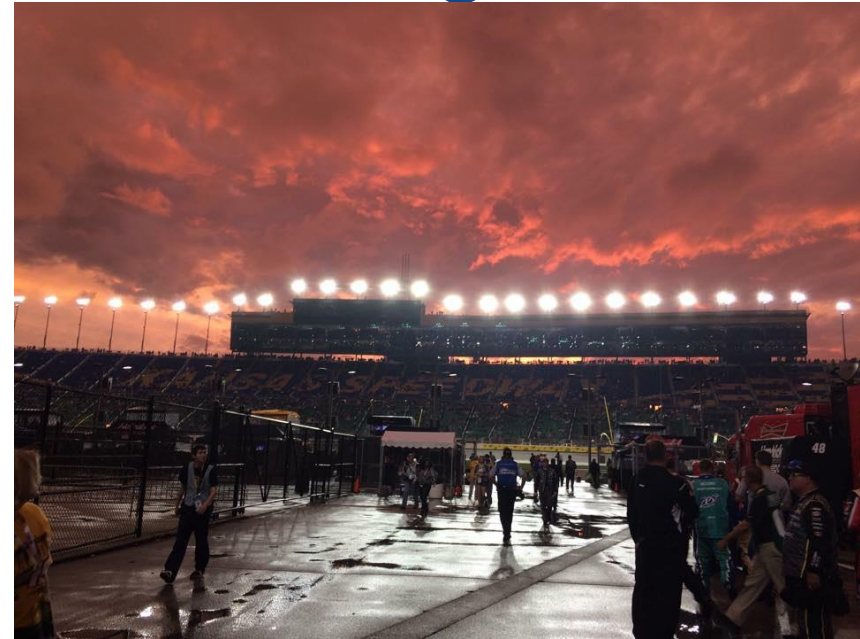
2015-2016 Expenditures by Fund

\$21,587,619



Changes in 2016-2017 Revised Budget

- Contract settlements
- Staffing Changes**
- Transportation**
- Utilities
- Special Education**
- Technology
- Facilities – Building Project**



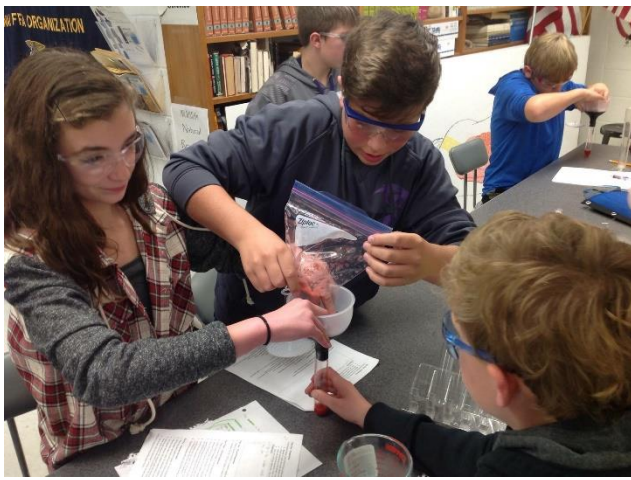
- Adjust General Education and Special Education Revenue
- Enrollment**

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%)

Public Comments and Discussion.....





Thank you for supporting
Glencoe-Silver Lake
Schools www.gsl.k12.mn.us

