

Glencoe-Silver Lake School Truth in Taxation Hearing for Taxes Payable in 2013

December 10, 2012

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Agenda for Hearing

- Background on School Funding, Tax Levies and Budgets
- Information on Proposed Pay 2013 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 2012

**The School District Levy
2012 Payable 2013
Levy is Approved in 2012
Taxes are Paid in 2013
Revenue is for the
2013-2014 School Year
FY 2014**

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, 2013 (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.⁵

Explanation of Levy Certification

I. **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	Health and Safety
Community Education	ECFE
Integration	Safe Schools
Career and Technical	Deferred Maintenance
Equity	Reemployment
Building/Land Leases	
General Debt Other – MW	General Obligation
Reorganization	Operating Debt

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

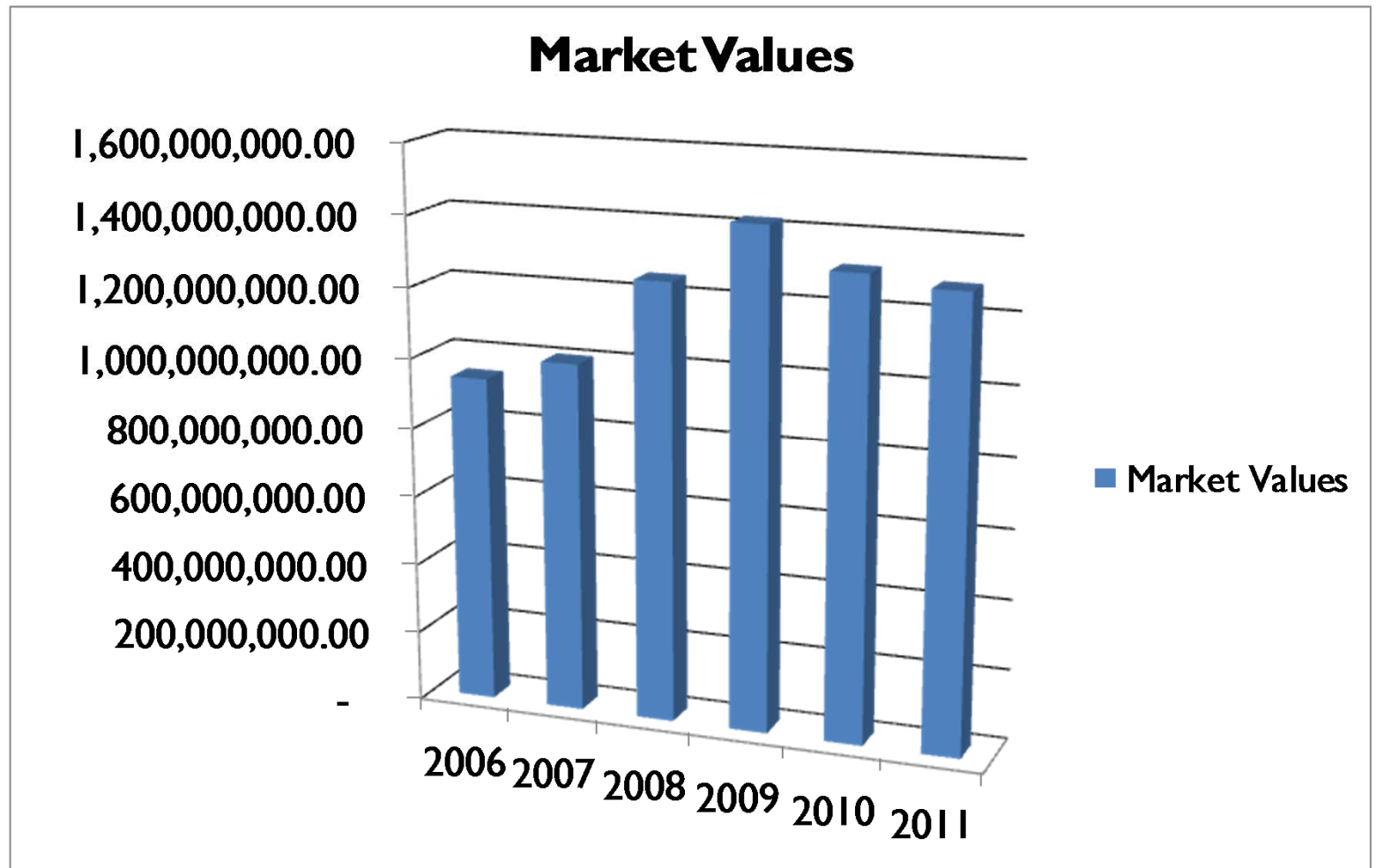
1. **Changes in market values**
2. Changes in class rates
3. Changes in enrollment
4. Changes in local levy vs. state aid
5. **Homestead Credits – Homestead Exclusion**
6. Property tax refunds
7. **Consolidation – Reorganization Debt**
8. **Legislative Changes**



Property Valuations

Market Values		% Growth
2006 Market Value	939,228,662	12.0%
2007 Market Value	1,003,511,534	6.8%
2008 Market Value	1,250,991,202	25% +247,479,668
2009 Market Value	1,422,493,700	13.7% +171,502,498
2010 Market Value	1,310,306,038	-7.89% - 112,187,662
2011 Market Value	1,281,790,800	-2.176% -28,515,238

Property Valuations



Property Valuations

Referendum Market Values		
2006 RMV	645,943,900	11.0%
2007 RMV	699,372,200	8.3%
2008 RMV	801,886,918	15% +102,514,718
2009 RMV	810,315,540	1.05% +8,428,622
2010 RMV	763,299,695	-5.8022% - (-47,015,845)
2011 RMV	741,795,340	-2.817% -(-21,504,355)

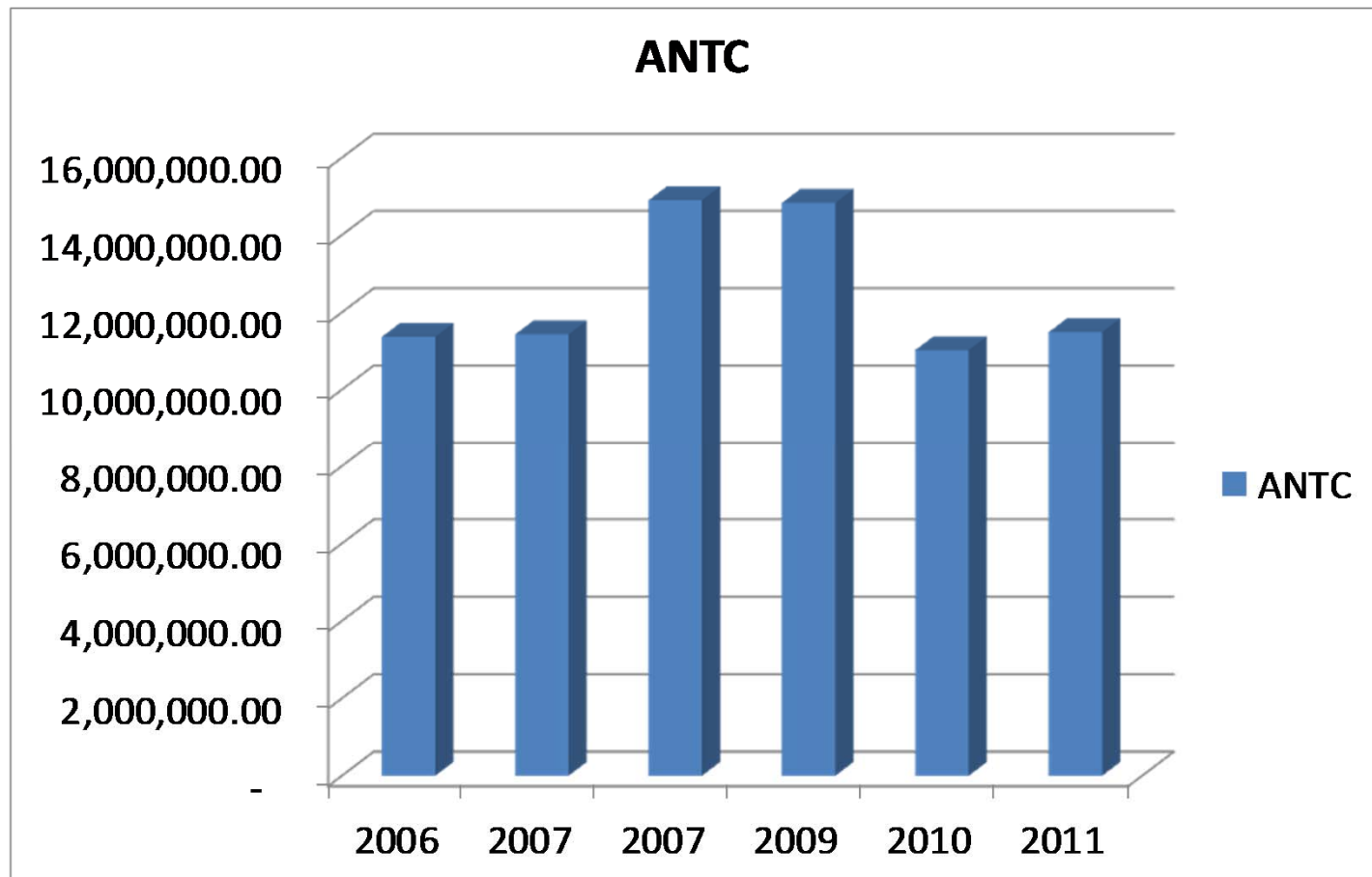
Property Valuations

Net Tax Capacity		% Growth
2006 NTC	8,694,412	
2007 NTC	9,171,676	
2008 NTC	11,345,329	24% +2,173,653
2009 NTC	12,651,068	11.5% +1,305,739
2010 NTC	11,575,799	-8.5% - 1,075,269
2010 NTC Before MKT VLU Credit Change	12,442,778	
2011 NTC	11,268,273	
2012 Preliminary NTC	11,734,466	Used for Lease levy

Property Valuations

Adjusted Net Tax Capacity		
2006 ANTC	11,366,532	
2007 ANTC	11,431,081	
2008 ANTC	14,901,539	30% +3,470,458
2009 ANTC	14,831,656	-0.47% -69,883
2010 ANTC	11,023,072	-25.678% - 3,808,584
2010 ANTC Before MKT VLU Credit Change	11,121,246	
2011 ANTC	11,486,375	

Adjusted Net Tax Capacity



Resident Students

	2008-2009	2009-2010 6-30-10	2010-2011 Final 6-30-11	2011-2012 Final 6-30-12	2012-2013 12-10-12
Pre-K	16	15	14.74	13.95	15
Kindergarten	135	146	154.90	131.92	155
1-2	268	290	294.13	296.09	269
3-6	486	572	559.13	562.91	560
7-8	266	294	328.73	297.74	298
9-12	624	687	667.13	644.67	643
Total	1,795	2,006	2,018.76	1,947.28	1,940

Adjusted Average Daily Membership

	2008- 2009	2009- 2010 6-30-10	2010- 2011 12-6-10 6-30-11	2011- 2012 12-6-10 6-30-12	2012- 2013 9-4-12	2012- 2013 12-1-12
Pre-K	14	15	15 / 14.72	15/14.17	15	15
Kdgn	111	127	133 / 132.07	125/ 112.95	138	136
1-2	233	241	244 / 244.47	259/ 251.8	243	237
3-6	425	477	469 / 472.74	470/ 472.74	497	488
7-8	243	253	279 / 277.27	264/ 257.88	256	251
9-12	581	584	567 / 568.79	581/ 551.75	538	536
Total	1,593	1,696	1,707 / 1,710.06	1,714/ 1,661.29	1,687	1,663

Example One – Residential Homestead - GSL

	Taxes Payable 2010	Taxes Payable 2011	Taxes Payable 2012	Taxes Payable 2013
	Taxable Market Value - \$165,400	Taxable Market Value – \$143,100	Estimated Market Value – \$143,100	Estimated Market Value - \$135,100
Homestead Exclusion	N/A	N/A	\$24,400	\$25,100
Taxable Market Value	\$165,400	\$143,100	\$118,700	\$110,000
Voter Approved Levies	\$245.45	\$225.64	\$256.29	\$220.84
Other Local Levies	\$116.67	\$101.42	\$99.53	\$100.19
Total	\$356.65	\$327.06	\$355.82	\$321.03
Difference		-\$29.59	+\$28.76	-\$34.76

Example Two – Residential Homestead - GSL

	Taxes Payable 2011	Taxes Payable 2012	Taxes Payable 2013
	Taxable Market Value – \$112,100	Estimated Market Value – \$112,100	Estimated Market Value – \$104,600
Homestead Exclusion	N/A	\$27,200	\$27,800
Taxable Market Value	\$112,100	\$84,900	\$76,800
Voter Approved Levies	\$176.76	\$200.70	\$170.98
Other Local Levies	\$76.13	\$73.47	\$72.56
Total	\$252.89	\$274.24	\$243.54
Difference			-\$30.70 -(11.2%)

Example Two – Agricultural Non-Homestead – GSL School

	Taxes Payable 2011	Taxes Payable 2012	Taxes Payable 2013
	Taxable Market Value – \$473,200	Estimated Market Value – \$473,200	Estimated Market Value \$517,460
Homestead Exclusion	N/A	N/A	NA
Voter Approved Levies			
Other Local Levies	\$276.77	\$292.77	\$343.81
Total	\$276.77	\$292.77	\$343.81
Difference	+\$23.45	+\$16.00	+\$51.04

LEVY LIMITATION AND CERTIFICATION SUMMARY

2012 PAYABLE 2013

PAGE 25 OF 31

LEVY CATEGORY

#1 - GENERAL - RMV VOTER

REFERENDUM LEVY

\$1,154,447.13

Levy/Aid

Spread on Referendum Market Value (Household)
Referendum, Authority - \$727.36/Per Pupil

#2 - GENERAL - RMV OTHER

EQUITY/TRANSITION LEVY

\$179,328.60

Levy/Aid

Spread on Referendum Market Value
Additional Revenue that Districts receive to
Based on Basic Revenue + Referendum Revenue
\$46.00/AMCPU

#4 - GENERAL - NET TAX CAPACITY

\$596,211.39

Spread on Net Tax Capacity - (Market Value)

Operating Capital

\$242,855.62

Levy/Aid

Page 4

Reemployment Ins.

\$ 24,517.67

Levy

Page 6

Safe Schools

\$ 58,174.50

Levy

Page 6

Career and Technical

\$ 29,815.54

Levy

Page 7

Health and Safety

\$126,915.69

Levy

Page 7

Deferred Maintenance

\$116,349.00

Levy

Page 8

Building Lease

\$ -

Levy

Debt Service Adjustment

\$ -

Levy

Abatement Adjustments

\$ (2,416.63)

Levy

#5 - COMMUNITY SERVICE

\$163,130.31

General Revenue Driven by Population x \$1.00

Community Education

\$103,428.10

Levy

General Revenue

ECFE

\$ 46,157.54

Levy/Aid

Home Visiting

\$ 1,121.60

Levy

School Age Care

\$ 12,500.00

Levy

Extended Day

Abatement Adjustments

\$ (76.93)

#7 - General Debt Service - Voter Approved

Building Bond Debt

\$ 230,259.00

Spread on all Formal MW Property

\$ 286.68

Abatement Adjustment

\$2,323,663.11

*2012 Payable 2013 Levy is for Revenue for the Fiscal Year 2013-2014. For Taxes paid in 2013

LEVY LIMITATION AND CERTIFICATION SUMMARY
2011 PAYABLE 2012

LEVY CATEGORY		Actual Levy Payable in 2011	Proposed Levy Payable in 2012	Actual Payable in 2012	Proposed Levy Payable in 2013
#1 - GENERAL - RMV VOTER					
	REFERENDUM LEVY	\$ 1,203,630.82	\$ 1,328,626.96	\$ 1,328,626.96	\$ 1,154,447.13
#2 - GENERAL - RMV OTHER					
	EQUITY/TRANSITION LEVY	\$ 189,313.95	\$ 173,434.93	\$ 173,434.93	\$ 179,328.60
#4 - GENERAL - NET TAX CAPACITY OTHER					
<i>Aid/Levy</i>	Operating Capital	\$ 289,494.72	\$ 260,550.00	\$ 260,550.00	\$ 242,855.62
<i>Levy</i>	Reemployment Ins.	\$ (3,863.88)	\$ 65,596.20	\$ 40,596.20	\$ 24,517.67
<i>Levy</i>	Safe Schools	\$ 60,465.79	\$ 61,619.00	\$ 36,619.00	\$ 58,174.50
<i>Levy</i>	Career and Technical	\$ 25,162.85	\$ 35,604.00	\$ 35,604.00	\$ 29,815.54
<i>Levy</i>	Health and Safety	\$ 68,246.65	\$ 88,297.00	\$ 39,387.00	\$ 126,915.69
<i>Levy</i>	Deferred Maintenance	\$ 122,717.40	\$ 121,010.00	\$ 121,010.00	\$ 116,349.00
<i>Levy</i>	Building Lease	\$ -			
<i>Levy</i>	Debt Service Adjustment	\$ -			
	Abatement Adjustment	\$ (2,968.43)	\$ 2,760.32	\$ 2,765.32	\$ (2,416.63)
	Total General NTC	\$ 559,255.10	\$ 635,436.52	\$ 536,531.52	\$ 596,211.39
#5 - COMMUNITY SERVICE					
	Community Education	\$103,332.20	\$ 103,428.10	\$ 103,428.10	\$ 103,428.10
	ECFE	\$51,428.77	\$ 43,317.70	\$ 43,317.70	\$ 46,157.54
	Home Visiting	\$1,395.20	\$ 1,267.20	\$ 1,267.20	\$ 1,121.60
	School Age Care	\$12,500.00	\$ 25,000.00	\$ 12,500.00	\$ 12,500.00
	Abatement Adjustment	\$ (124.09)	\$ 219.31	\$ 219.31	\$ (76.93)
	Total Community Service	\$168,532.08	\$ 173,232.31	\$ 160,732.31	\$ 163,130.31
#7 - General Debt Service - Non- Voter Approved					
	<i>MW Reorganizational Debt</i>	\$ 226,797.97	\$ 215,261.00	\$ 215,261.00	\$ 230,545.68
	TOTAL PAY LEVY	\$2,347,529.92	\$ 2,525,991.72	\$ 2,414,586.72	\$ 2,323,663.11



Explanation of Levy Changes

- Voter Approved Referendum
- Change – (\$174,179.83)
- Use of Funds – General Operating Expenses
- Adjusted Per Pupil Unit - \$727.36
- Resident Students
- FYII Adjustments
- State Aid and Local Levy – 70% Local

Explanation of Levy Changes

- Equity Levy
- Change – +\$5,893.67
- 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 – (-\$17,694.38)
- Use of Funds – equipment, building maintenance, leases, salaries, vehicles
- State Aid and local levy
- Calculation based on 2013-2014
Estimated AMCPU



Explanation of Levy Changes

- Reemployment Insurance
- Change – -\$16,078.53
- Used for unemployment
- Based on estimates for 2012-2013 and FY11 actual expenses.
- Local Levy

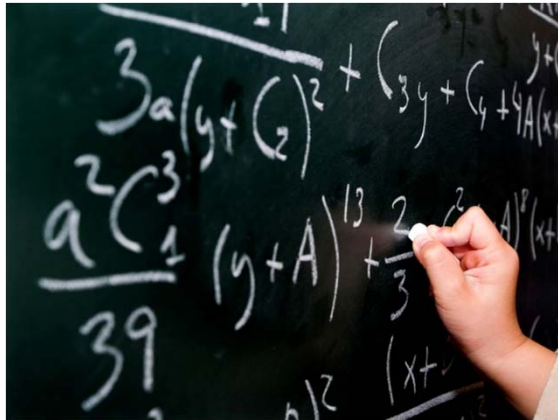
Explanation of Levy Changes

- Safe Schools
- Change - +\$21,555.50
- Used for Supervision at events, police officer at events and safe schools items – radios, security cameras, crossing guards.
- Local Levy

Underlevied for Pay I 2



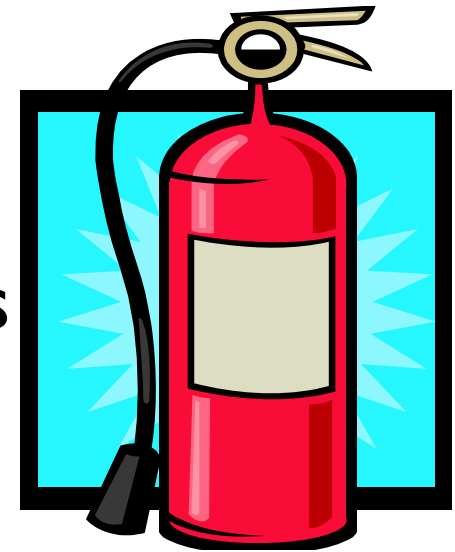
Explanation of Levy Changes



- Career and Technical
- Change – -\$5,788.40
- Used for vocational programs
- Local Levy

Explanation of Levy Changes

- Health and Safety
- Change – +\$87,528.69
- Use of funds – State-approved capital projects related to health and safety
- Local Levy
- Based on Actual
Revenues and Expenditures
- Underlevied in Pay 12 by
\$48,910.00



Explanation of Levy Changes



- Deferred Maintenance
- Change – (-\$4,661.00)
- Used for building projects having a useful life of five years or more.
- Local Levy



Explanation of Levy Changes

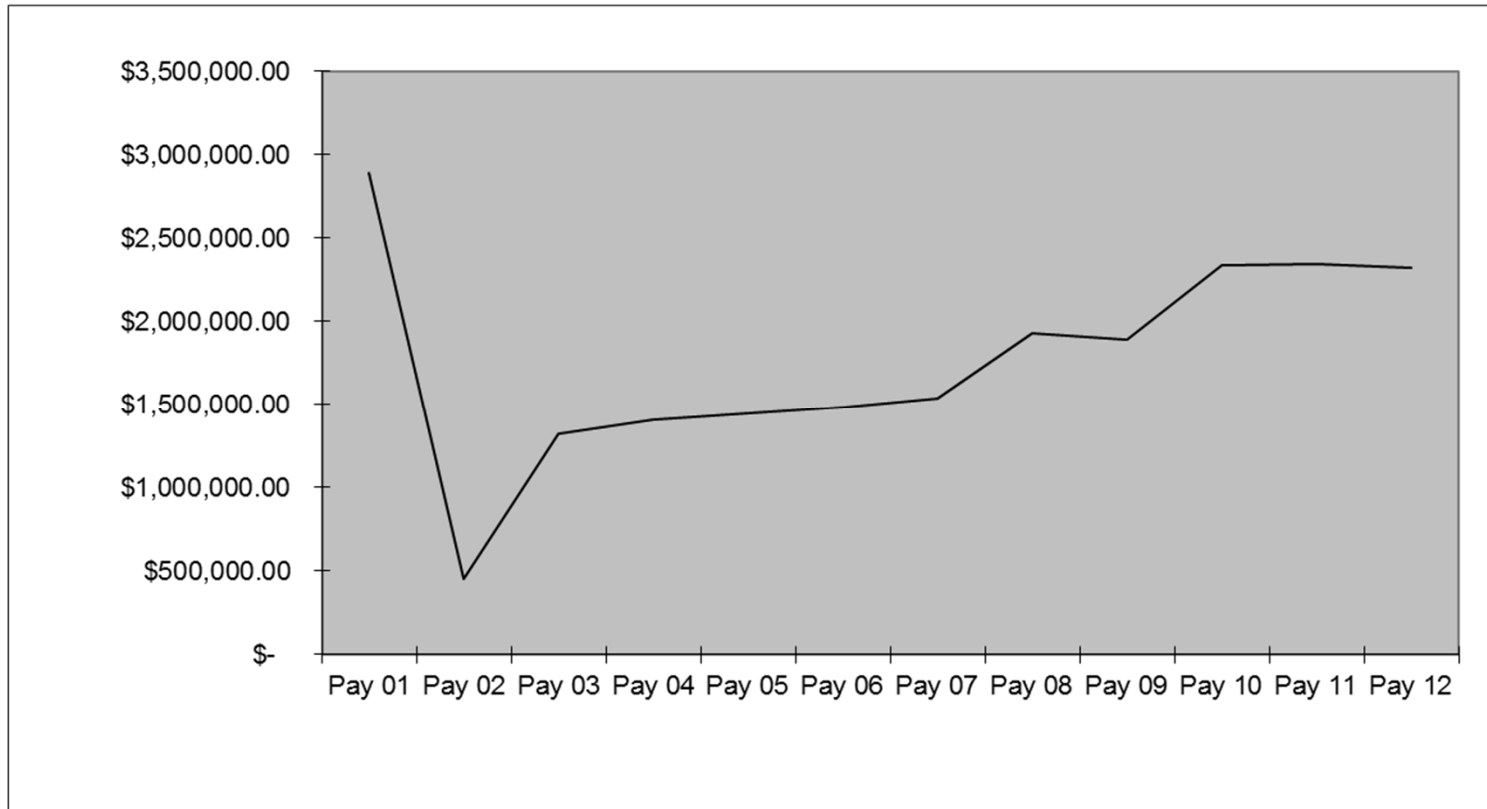
- General Debt Service
 - MW Debt - \$230,545.68
 - Increase of \$15,284.68 – Based on Bond Schedule
 - MW Excess Fund Balance
 - Defeasance of Original Bond



Explanation of Levy Changes

- **Community Service - +\$2,398.00**
 - Community Ed
 - School Readiness
 - ECFE
 - Non-Public
 - Pre-School Screening

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

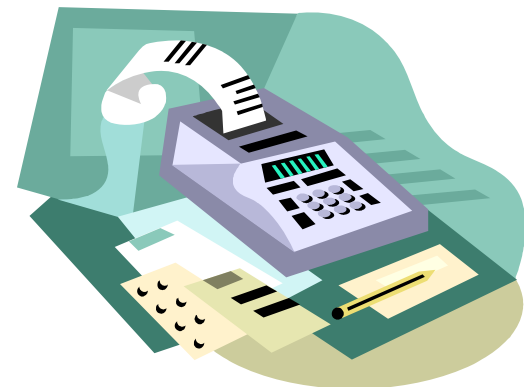
Pay 2008 - \$1,737,012.06

Pay 2010 - \$2,339,802.26 w/MW Debt

Pay 2012 - \$2,414,586.72 w/MW Debt

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
 - Trust Fund - Scholarships
 - Internal Service Fund



Glencoe-Silver Lake Schools

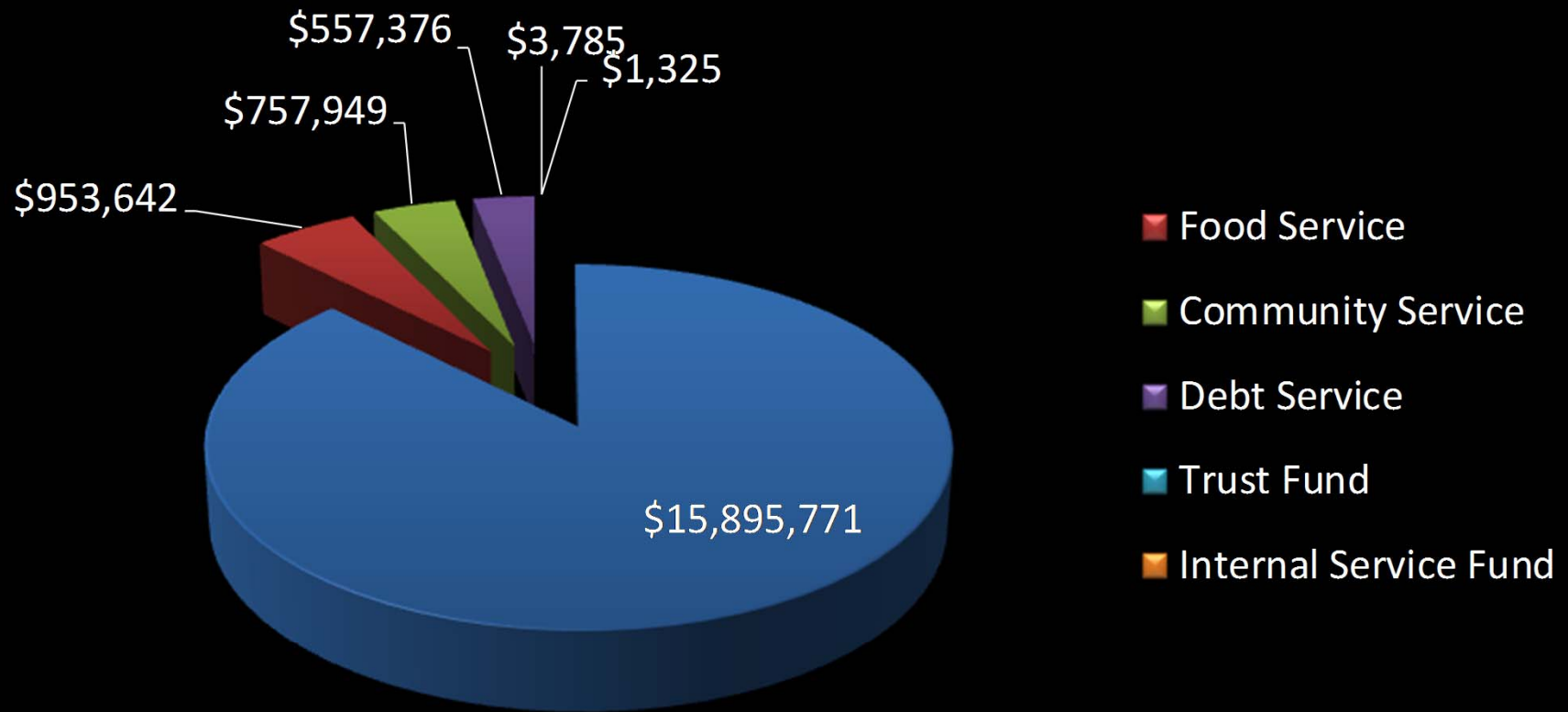
Revenues and Expenditures

Actual 2012 Fiscal Year – Proposed Budget for 2012-2013

Fund	2011-2012 Actual Revenues	2011-2012 Actual Expenditures	June 30,2012 Actual Fund Balance	2012-2013 Revenue Budget	2012-2013 Expenditure Budget
General Fund Total	\$15,895,771	\$16,232,328	\$5,949,727	\$15,775,596	\$16,197,910
Food Service	\$953,642	\$911,875	\$158,367	\$993,394	\$967,782
Community Service	\$757,949	\$722,820	\$175,428	\$693,340	\$736,615
Debt Service	\$557,376	\$540,530	\$31,079	\$567,788	\$549,530
Trust Fund	\$3,785	\$16,700	\$985,918	\$3,700	\$17,700
Internal Service Fund	\$1,325	\$0	\$803,626		
Total All Funds	\$18,169,848	\$18,424,253	\$8,104,145	\$18,033,818	\$18,469,537

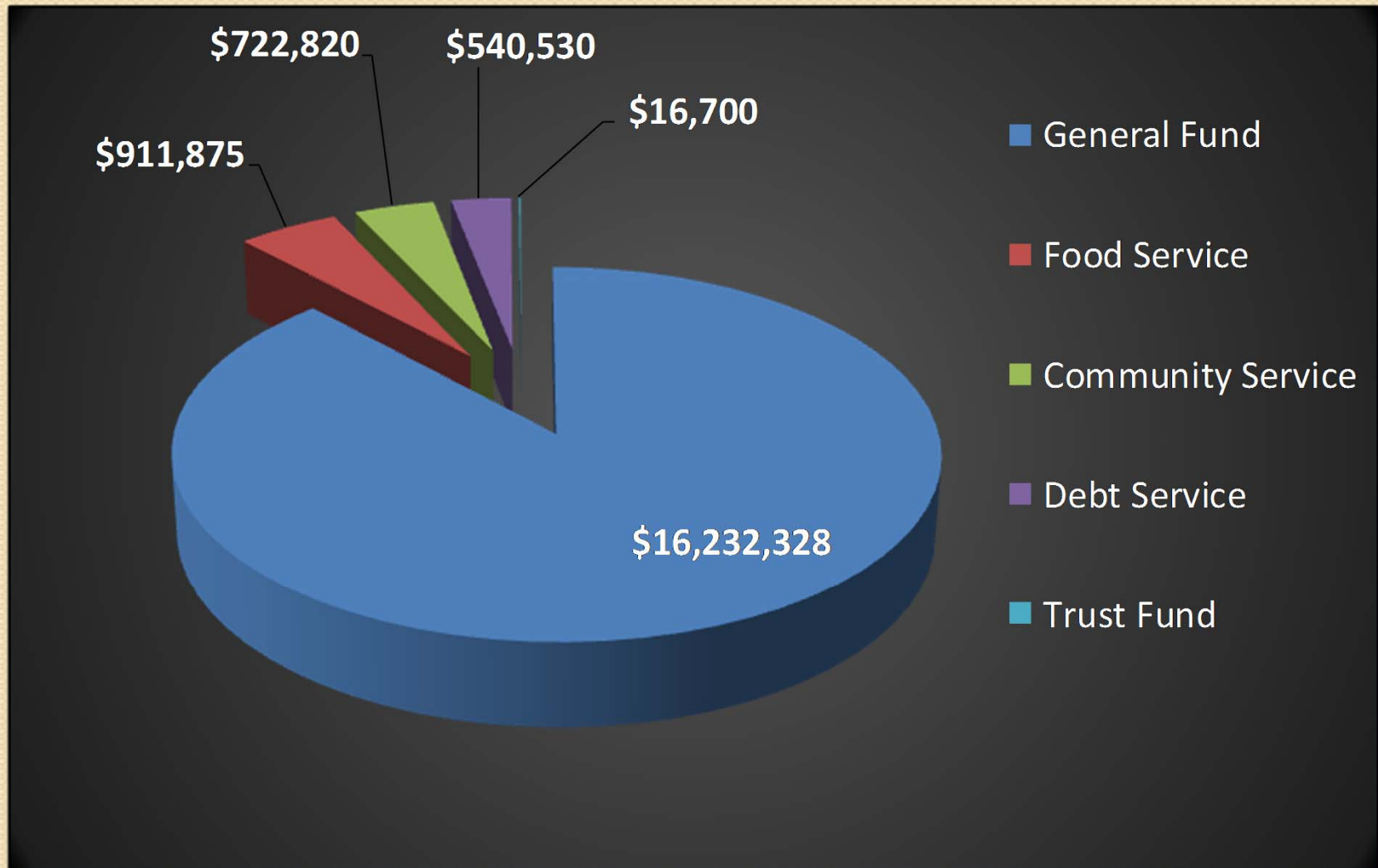
2011-2012 Revenues by Fund

\$18,169,848



2011-2012 Expenditures by Fund

\$18,424,253.00



Changes in 2012-2013 Revised Budget

- Contract settlements
- Staffing Changes**
- Transportation**
- Utilities
- Special Education**
- Technology
- Adjust General Education and Special Education Revenue
- Adjust to reflect audited entries
- Enrollment**





Summary

- Pay 2012 Levy - \$2,414,586.72
- Pay 2013 Levy - \$2,323,663.11
- Decrease of \$90,923.61 (-3.77%)

Public Comments and Discussion.....



Thank you for supporting
Glencoe-Silver Lake Schools

www.gsl.k12.mn.us

