



Glencoe-Silver Lake School Truth in Taxation Hearing for Taxes Payable in 2012

December 12, 2011

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Agenda for Hearing

- Background on School Funding, Tax Levies and Budgets
- Information on Proposed Pay 2012 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
2011 Payable 2012
Levy is Approved in 2011
Taxes are Paid in 2012
Revenue is for the
2012-2013 School Year
FY 2013**

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

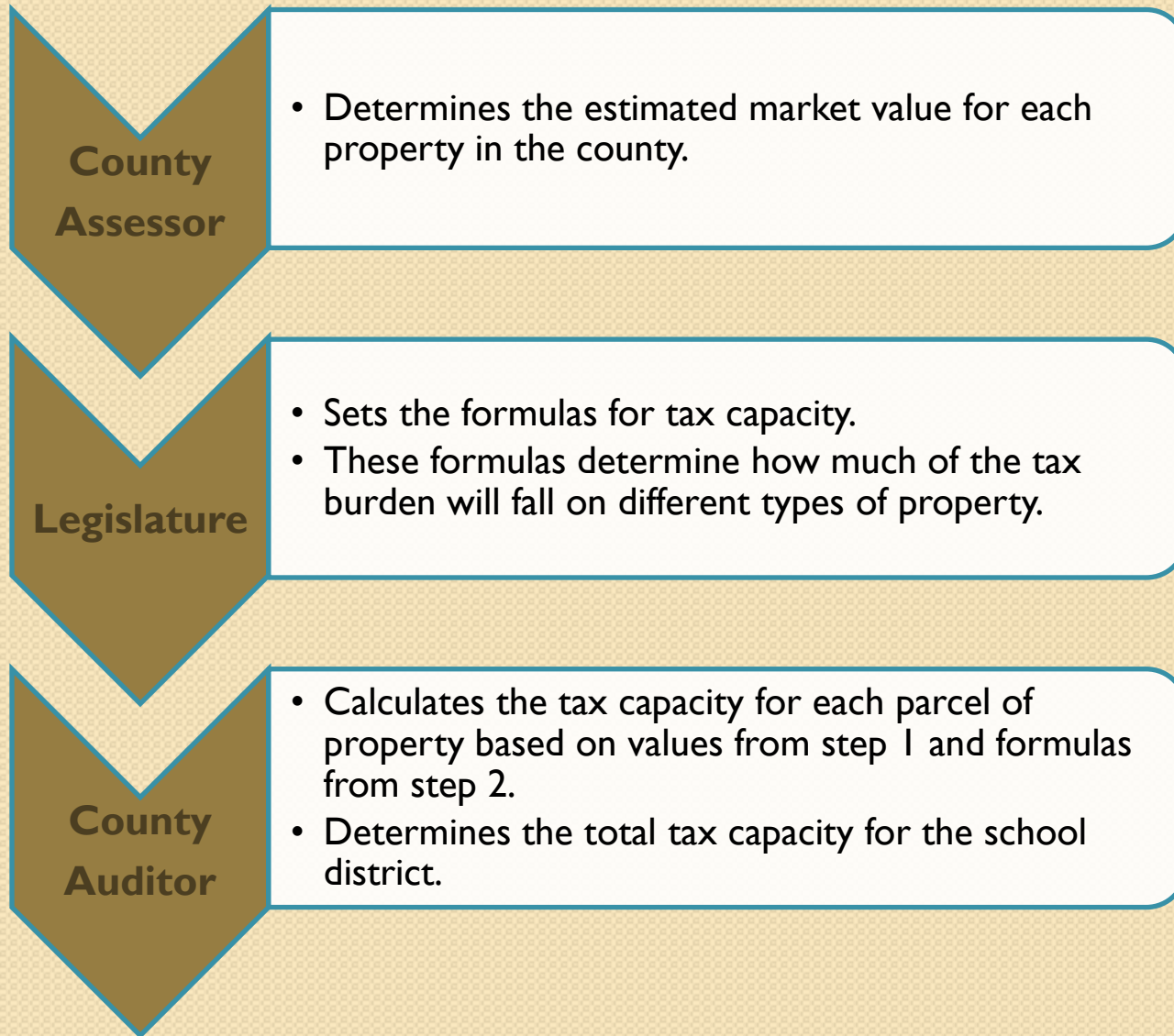
- Final levy set in December
- Property taxes levied on calendar year

Budget

- Final Budget approved in June, 2011 (6 months later)
- Fiscal year is July 1 through June 30

Minnesota School District Property Taxes

7 Key Steps in Process



Legislature

- Sets the formulas which determine school district levy limits.

Minnesota Department of Education

- Calculates detailed levy limits for each school district, based on the formulas. These limits tell the districts the exact amounts that can be levied in every category.

School Board

- Adopts a proposed levy in September based on limits. After a public hearing, the board adopts a final levy in December.

County Auditor

- Divides the final levy by the district's 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.

Proposed Tax Statement 2012

Property Classification	2011	2012
Taxable Market Value		
Homestead Exclusion	N/A	
Legal Description and Location of Property		
County of Residence		
Carver		
McLeod		
Sibley		
Wright		
City or Township of Property		
School District		
Voter Approved		
Other (Includes MW Debt)		

Explanation of Levy Certification

I. **Voter Approved Levies:**

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



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

General Debt Other – MW General Obligation

Reorganization Operating Debt

Health and Safety

ECFE

Safe Schools

Deferred Maintenance

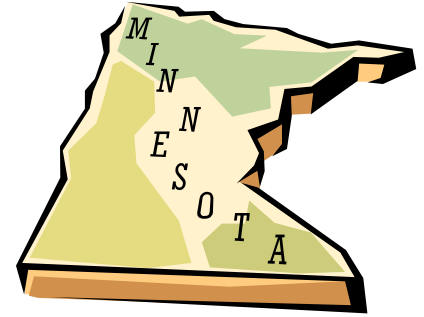
Reemployment

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**



State Funding

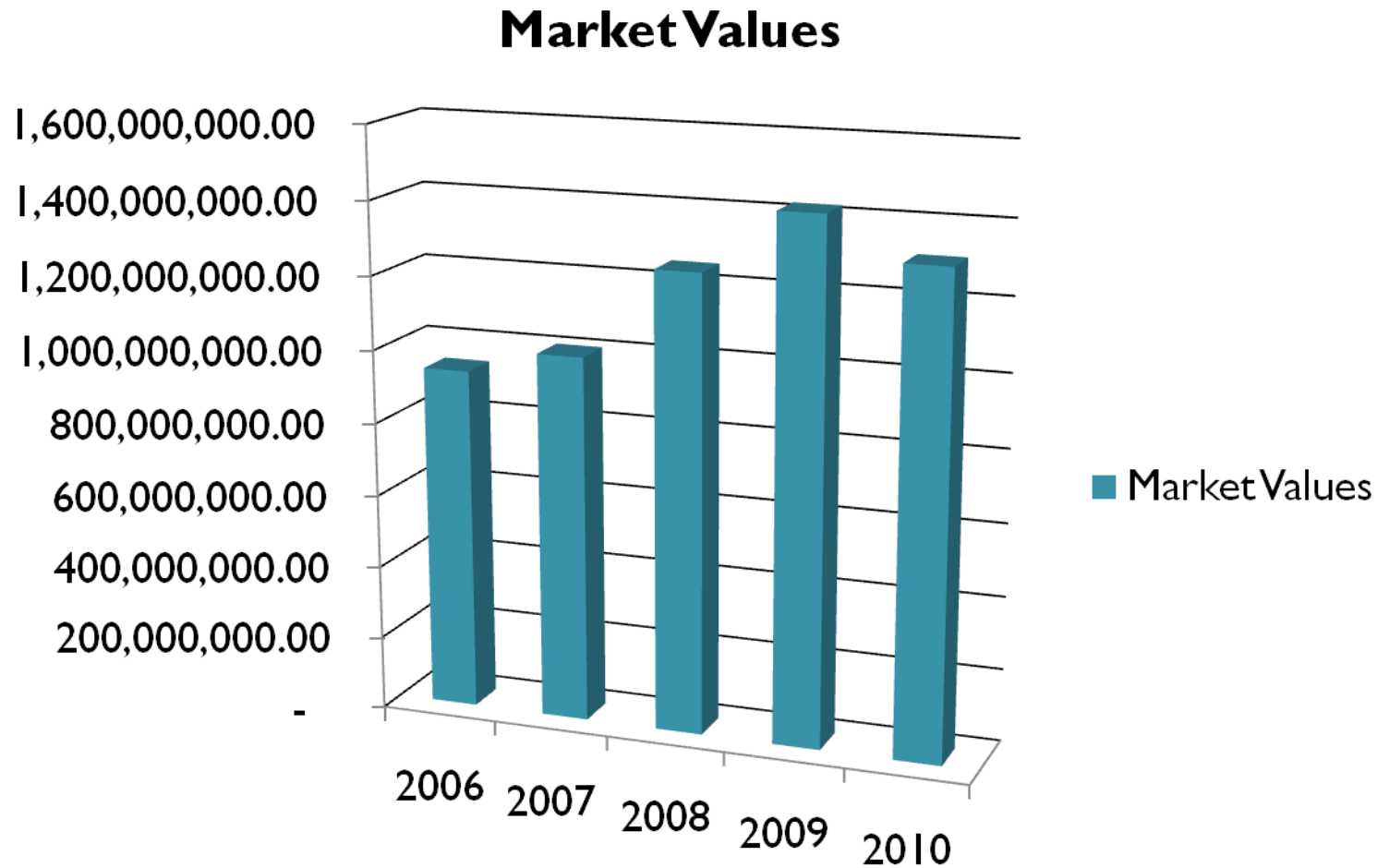


- State funding has not kept pace with inflation
 - Increases in basic general education revenue per pupil have been less than inflation
 - There was no funding formula increases since the 2008-2009 fiscal year.
 - For FY12 and FY13 \$50 was added to the basic general education formula allowance. \$5,174 and \$5,224.
 - Tax levy is based on state-determined formulas
 - Some increase in tax levies are revenue neutral, which is offset by a reduction in state aid.
 - Deferred Maintenance
 - Operating Capital

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

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	742,056,775	

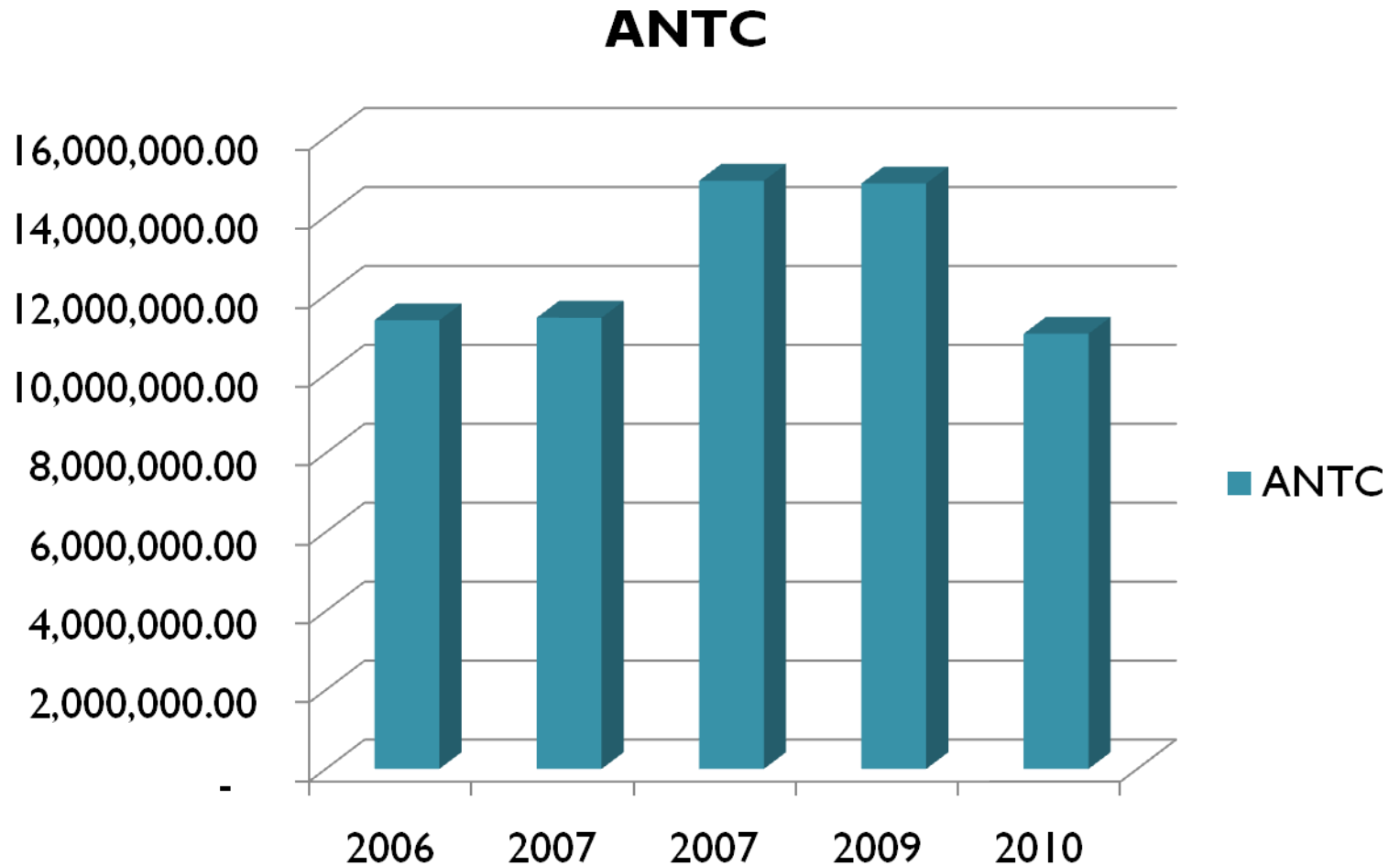
Property Valuations

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	11,395,448	

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	

Adjusted Net Tax Capacity



Example One – Residential Homestead - GSL

	Taxes Payable 2010	Taxes Payable 2011	Taxes Payable 2012
	Taxable Market Value - \$165,400	Taxable Market Value – \$143,100	Estimated Market Value – \$143,100
Homestead Exclusion	N/A	N/A	\$24,400
Taxable Market Val	\$165,400	\$143,100	\$118,700
Voter Approved Levies	\$245.45	\$225.64	\$256.21
Other Local Levies	\$116.67	\$101.42	\$111.08
Total	\$356.65	\$327.06	\$367.29
Difference		-\$29.59	+\$40.23 (3.35/month)

Example Two – Residential Homestead - GSL

	Taxes Payable 2010	Taxes Payable 2011	Taxes Payable 2012
	Taxable Market Value - \$	Taxable Market Value – \$112,100	Estimated Market Value – \$112,100
Homestead Exclusion	N/A	N/A	\$27,200
Taxable Market Val	\$	\$112,100	\$84,900
Voter Approved Levies	\$	\$176.76	\$200.70
Other Local Levies	\$	\$76.13	\$81.73
Total	\$	\$252.89	\$282.43
Difference			+\$29.54 (2.46/month)

Example Two – Agricultural Non-Homestead – GSL School

	Taxes Payable 2010	Taxes Payable 2011	Taxes Payable 2012
	Taxable Market Value - \$415,000	Taxable Market Value – \$473,200	Estimated Market Value – \$473,200
Homestead Exclusion	N/A	N/A	N/A
Voter Approved Levies			
Other Local Levies	\$253.64	\$276.77	\$338.86
Total	\$253.64	\$276.77	\$338.86
Difference		+\$23.45	+\$62.09

LEVY LIMITATION AND CERTIFICATION SUMMARY

2011 PAYABLE 2012

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LEVY CATEGORY									
#1 - GENERAL - RMV VOTER									
	REFERENDUM LEVY		\$1,328,626.96	Levy/Aid	Spread on Referendum Market Value (Household Income Tax Referendum, Authority - \$727.75/Per Pupil)				
#2 - GENERAL - RMV OTHER									
	EQUITY/TRANSITION LEVY		\$173,434.93	Levy/Aid	Spread on Referendum Market Value Additional Revenue that Districts receive to be used for the Referendum Based on Basic Revenue + Referendum Revenue \$46.00/AMCPU				
#4 - GENERAL - NET TAX CAPACITY									
	Operating Capital				\$260,550.00	Levy/Aid			Page 4
	Reemployment Ins.				\$ 65,596.20	Levy			Page 6
	Safe Schools				\$ 61,619.00	Levy			Page 6
	Career and Technical				\$ 35,604.00	Levy			Page 7
	Health and Safety				\$ 88,297.00	Levy			Page 7
	Deferred Maintenance				\$121,010.00	Levy			Page 8
	Building Lease				\$ -	Levy			Page 8
	Debt Service Adjustment				\$ -	Levy			
	Abatement Adjustments				\$ 2,760.32	Levy			
#5 - COMMUNITY SERVICE									
	Community Education		\$173,232.31		General Revenue Driven by Population x \$4.00				
	ECFE				\$103,428.10	Levy			General Revenue
	Home Visiting				\$ 43,317.70	Levy/Aid			
	School Age Care				\$ 1,267.20	Levy			
	Abatement Adjustments				\$ 25,000.00	Levy			Extended Day
					\$ 219.31				
#7 - General Debt Service - Voter Approved									
	Building Bond Debt		\$215,261.00		Spread on all Formal MW Property Determined by Bond Payment Schedule				
			\$2,525,991.73						

*2011 Payable 2012 Levy is for Revenue for the Fiscal Year 2012-2013. For Taxes paid in 2012

LEVY LIMITATION AND CERTIFICATION SUMMARY

2011 PAYABLE 2012

LEVY CATEGORY				Actual Levy Payable in 2010	Actual Levy Payable in 2011	Proposed Payable in 2012	Change Over 2011		
#1 - GENERAL - RMV VOTER									
	REFERENDUM LEVY			\$ 1,175,242.82	\$ 1,203,630.82	\$ 1,328,626.96	\$ 124,996.14		
#2 - GENERAL - RMV OTHER									
	EQUITY/TRANSITION LEVY			\$ 167,866.23	\$ 189,313.95	\$ 173,434.93	\$ (15,879.02)		
#4 - GENERAL - NET TAX CAPACITY OTHER									
<i>Aid/Levy</i>	Operating Capital			\$ 297,977.95	\$ 289,494.72	\$ 260,550.00	\$ (28,944.72)		
<i>Levy</i>	Reemployment Ins.			\$ 41,215.06	\$ (3,863.88)	\$ 65,596.20	\$ 69,460.08		
<i>Levy</i>	Safe Schools			\$ 58,655.86	\$ 60,465.79	\$ 61,619.00	\$ 1,153.21		
<i>Levy</i>	Career and Technical			\$ 34,842.40	\$ 25,162.85	\$ 35,604.00	\$ 10,441.15		
<i>Levy</i>	<i>Health and Safety</i>			\$ 57,283.98	\$ 68,246.65	\$ 88,297.00	\$ 20,050.35		
<i>Levy</i>	Deferred Maintenance			\$ 118,363.38	\$ 122,717.40	\$ 121,010.00	\$ (1,707.40)		
<i>Levy</i>	Building Lease			\$ -	\$ -		\$ -		
<i>Levy</i>	<i>Debt Service Adjustment</i>				\$ -		\$ -		
	Abatement Adjustment			\$ 4,680.51	\$ (2,968.43)	\$ 2,760.32	\$ 5,728.75		
	Total General NTC			\$ 613,019.14	\$ 559,255.10	\$ 635,436.52	\$ 76,181.42		
#5 - COMMUNITY SERVICE									
	Community Education			\$97,741.62	\$ 103,332.20	\$ 103,428.10	\$ 95.90		
	ECFE			\$48,381.20	\$ 51,428.77	\$ 43,317.70	\$ (8,111.07)		
	Home Visiting			\$1,314.68	\$ 1,395.20	\$ 1,267.20	\$ (128.00)		
	School Age Care			\$12,500.00	\$ 12,500.00	\$ 25,000.00	\$ 12,500.00		
	Abatement Adjustment			\$ 1,156.09	\$ (124.09)	\$ 219.31	\$ 343.40		
	Total Community Service			\$161,093.59	\$ 168,532.08	\$ 173,232.31	\$ 4,700.23		
#7 - General Debt Service - Non- Voter Approved									
	<i>MW Reorganizational Debt</i>			\$ 222,580.40	\$ 226,797.97	\$ 215,261.00	\$ (11,536.97)		
	TOTAL PAY LEVY			\$2,339,802.18	\$ 2,347,529.92	\$ 2,525,991.72	\$ 178,461.80		

Explanation of Levy Changes

- Voter Approved Referendum
- Change – +\$124,996.14
- Use of Funds – General Operating Expenses
- Inflation Factor/Adjusted Per Pupil Unit - \$727.75
- Resident Students
- FY10 Adjustments
- State Aid and Local Levy – 70% Local

Explanation of Levy Changes

- Equity Levy
- Change – (-\$15,879.02)
- Use of funds – General Operating Expenses
- State Aid and local levy



Explanation of Levy Changes

- Operating Capital Levy
- Change – (-\$28,944.72)
- Use of Funds – equipment, building maintenance, leases, salaries, vehicles
- State Aid and local levy
- Calculation based on 2012-2013
Estimated AMCPU

Explanation of Levy Changes

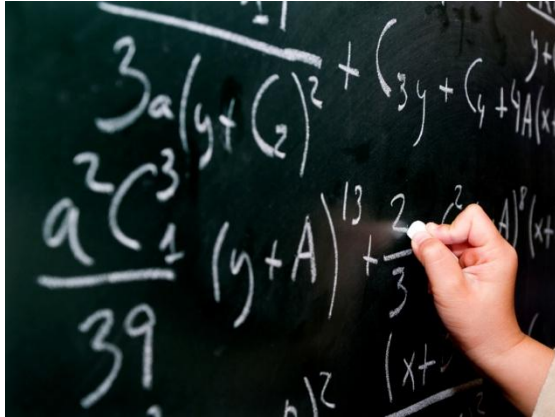
- Reemployment Insurance
- Change – +\$69,460.08
- Used for unemployment
- Based on estimates for 2011-2012 and FY10 actual expenses.
- Local Levy

Explanation of Levy Changes

- Safe Schools
- Change - +\$1,153.21
- Used for Supervision at events, police officer at events and safe schools items – radios, security cameras, crossing guards.
- Local Levy



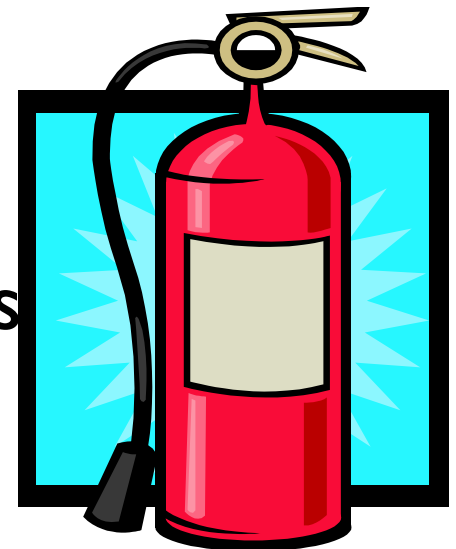
Explanation of Levy Changes



- Career and Technical
- Change – +\$10,441.15
- Used for vocational programs
- Local Levy

Explanation of Levy Changes

- Health and Safety
- Change – +\$20,050.35
- Use of funds – State-approved capital projects related to health and safety
- Local Levy
- Based on Actual
Revenues and Expenditures



Explanation of Levy Changes



- Deferred Maintenance
- Change – (-\$1,707.40)
- Used for building projects having a useful life of five years or more.
- Local Levy

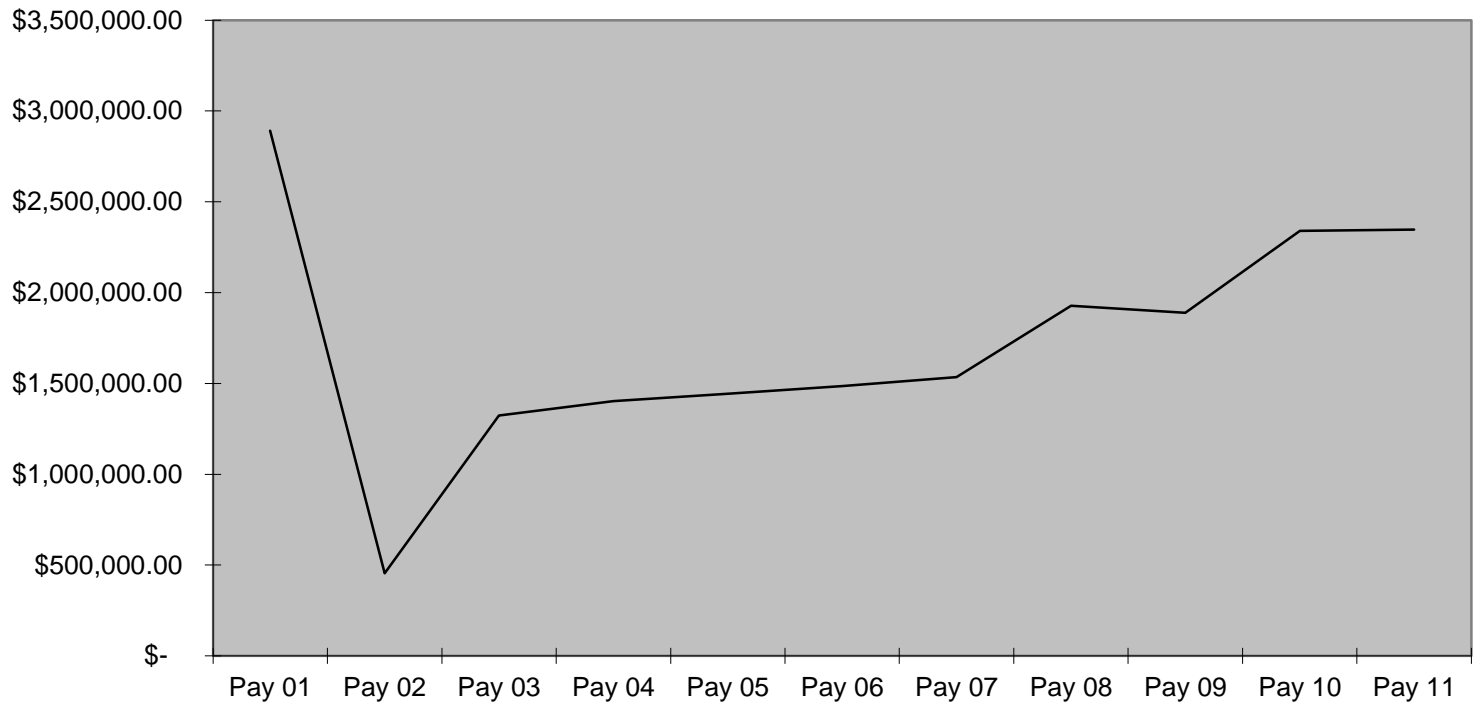
Explanation of Levy Changes

- General Debt Service
 - MW Debt - \$215,261.00
 - Decrease of \$11,536.97 – Based on Bond Schedule
 - MW Excess Fund Balance
 - Defeasance of Original Bond

Explanation of Levy Changes

- Community Service - +\$4,700.23
 - 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 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 2011 - \$2,525,991.72 w/MW Debt 33

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

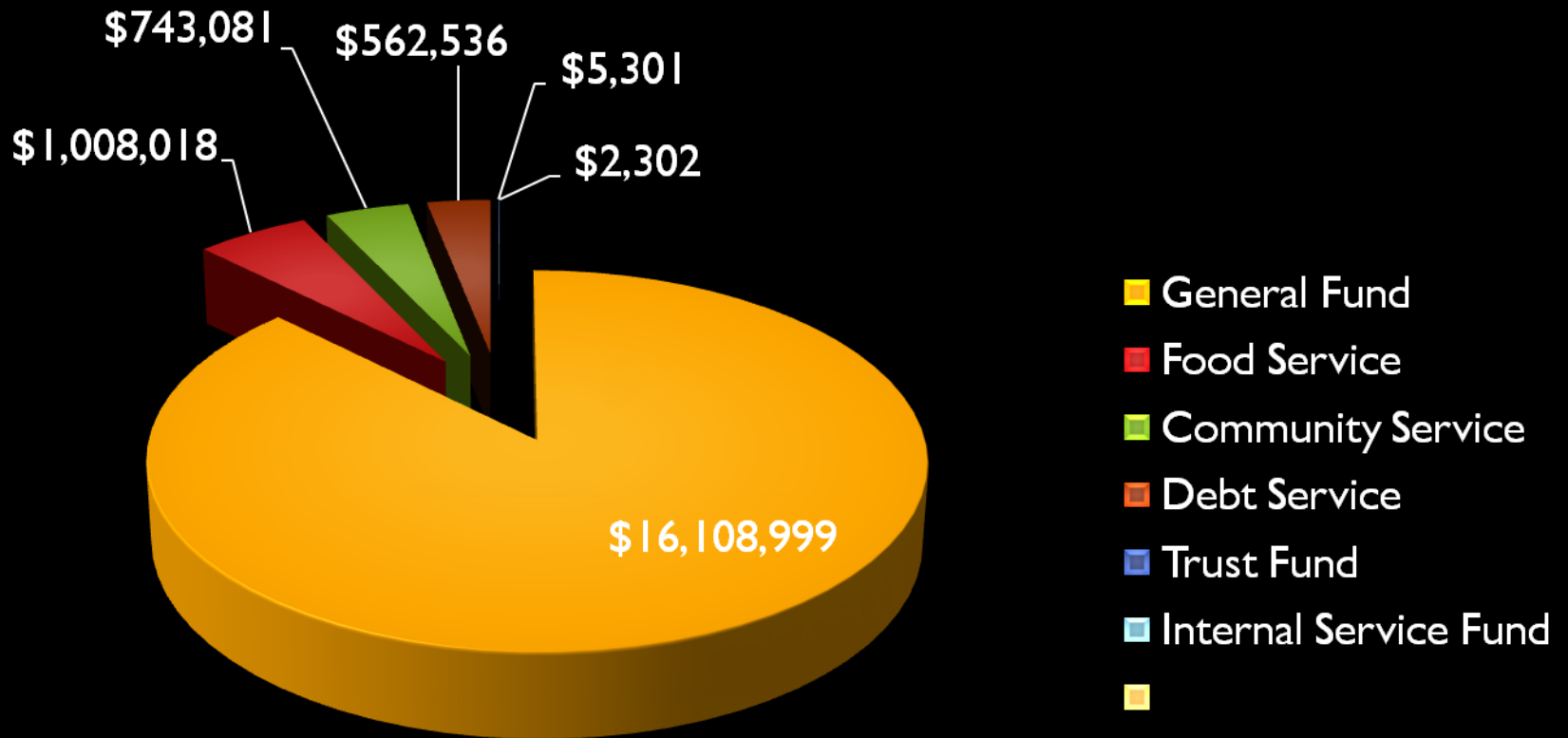
Revenues and Expenditures

Actual 2011 Fiscal Year – Proposed Budget for 2011-2012

Fund	2010-2011 Actual Revenues	2010-2011 Actual Expenditures	June 30,2011 Actual Fund Balance	2011-2012 Revenue Budget	2011-2012 Expenditure Budget
General Unassigned	\$16,108,999	\$15,548,030	\$5,248,116	\$15,319,164	\$16,142,223
Food Service	\$1,008,018	\$993,747	\$116,600	\$1,035,857	\$949,724
Community Service	\$743,081	\$701,246	\$140,299	\$708,408	\$736,248
Debt Service	\$562,536	\$559,205	\$621,885	\$570,055	\$559,255
Trust Fund	\$3,310	\$21,587	\$998,833	\$2,850	\$6,250
Internal Service Fund	\$2,302	\$0	\$802,302		
Total All Funds	\$18,428,246	\$17,823,815	\$7,928,033	\$17,636,334	\$18,393,736

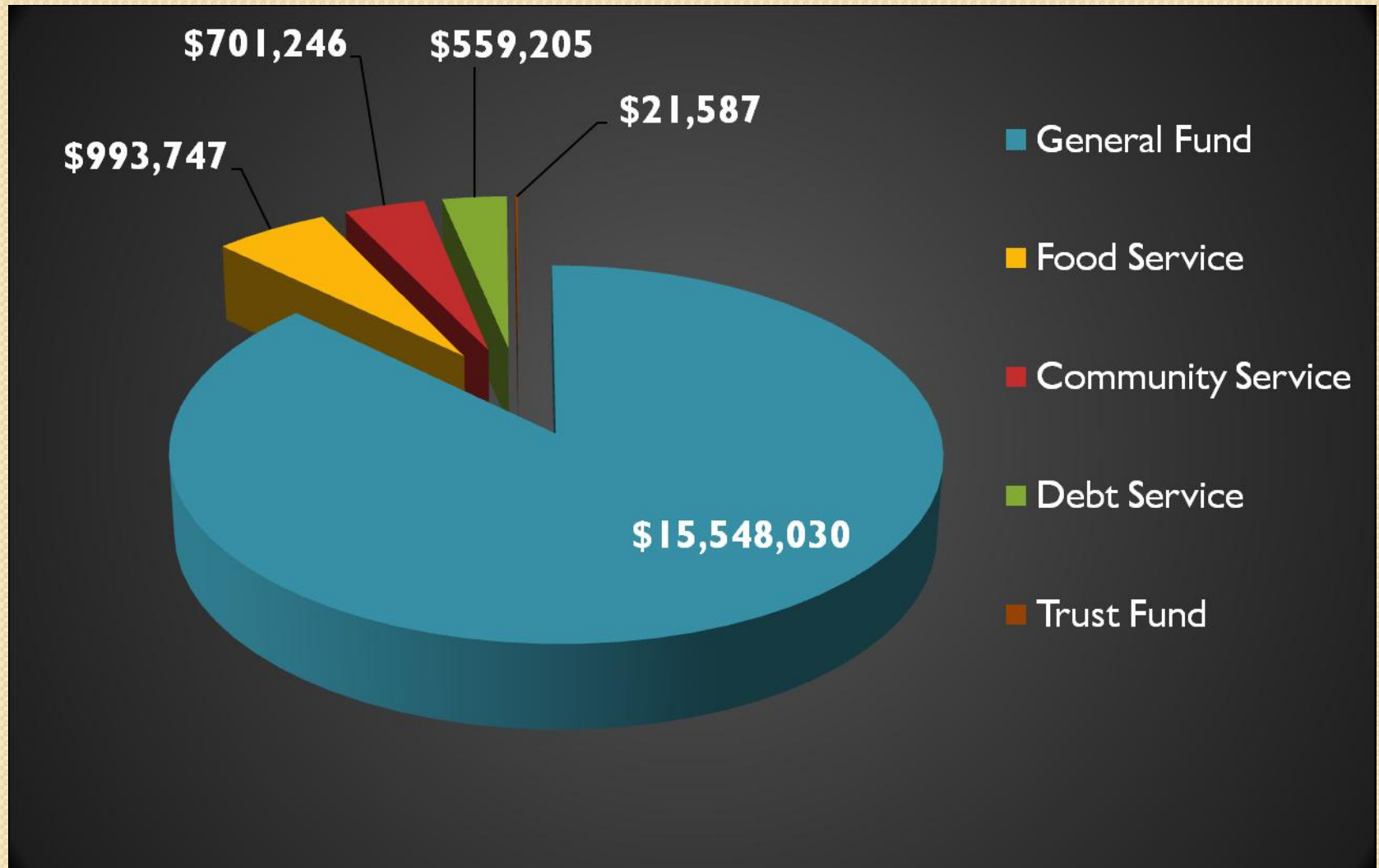
2010-2011 Revenues by Fund

\$18,428,246



2010-2011 Expenditures by Fund

\$17,823,815



Changes in 2011-2012 Revised Budget

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



Adjusted Average Daily Membership

	2008- 2009	2009- 2010 6-30-10	2010- 2011 12-6-10 6-30-11	2011- 2012 12-6-10	2011- 2012 9-7-11	2011- 2012 12-1-11
Pre-K	14	15	15 / 14.72	15	15	15
Kdgn	111	127	133 / 132.07	125	114	112
1-2	233	241	244 / 244.47	259	259	253
3-6	425	477	469 / 472.74	470	479	474
7-8	243	253	279 / 277.27	264	263	260
9-12	581	584	567 / 568.79	581	552	547
Total	1,593	1,696	1,707 / 1,710.06	1,714	1682	1661

Resident Students

	2008-2009	2009-2010 6-30-10	2010-2011 12-6-10	2010-2011 Final 6-30-11	2011-2012 12-1-11
Pre-K	16	15	15	14.74	15
Kindergarten	135	146	146	154.90	128
1-2	268	290	298	294.13	303
3-6	486	572	566	559.13	572
7-8	266	294	335	328.73	309
9-12	624	687	680	667.13	676
Total	1,795	2,006	2,025	2,018.76	2,003

Summary

- Pay 2011 Levy - \$2,347,529.92
 - Pay 2012 Levy - \$2,525,991.73
 - Increase of \$178,461.81 ----7.60%
-
- General – 9.49%
 - Community Service – 2.79%
 - Debt Service – (5.09%-)



Options.....

1. Approve full levy amount
2. Reduce levy in non-levy/aid categories
 - Safe Schools - \$25,000
 - Reemployment - \$25,000
 - Health and Safety - \$48,910
 - School Age Care - \$12,500

LEVY LIMITATION AND CERTIFICATION SUMMARY

2011 PAYABLE 2012

LEVY CATEGORY

#1 - GENERAL - RMV VOTER

REFERENDUM LEVY

\$1,328,626.96

Levy/Aid

#2 - GENERAL - RMV OTHER

EQUITY/TRANSITION LEVY

\$173,434.93

Levy/Aid

Reduction

#4 - GENERAL - NET TAX CAPACITY

\$635,436.53

\$635,436.52

\$ 536,531.52

\$98,905.00

Operating Capital

Levy/Aid

\$260,550.00

\$ 260,555.00

Reemployment Ins.

Levy

\$ (25,000.00)

\$ 65,596.20

\$ 40,596.20

Safe Schools

Levy

\$ (25,000.00)

\$ 61,619.00

\$ 36,619.00

Career and Technical

Levy

\$ 35,604.00

\$ 35,604.00

Health and Safety

Levy

\$ (48,910.00)

\$ 88,297.00

\$ 39,387.00

Deferred Maintenance

Levy

\$121,010.00

\$ 121,010.00

Building Lease

Levy

\$ -

\$ -

Debt Service Adjustment

Levy

\$ -

\$ -

Abatement Adjustments

Levy

\$ 2,760.32

\$ 2,760.32

#5 - COMMUNITY SERVICE

\$ 173,232.31

\$173,232.31

\$ 160,732.31

Community Education

Levy

\$103,428.10

\$ 103,428.10

ECFE

Levy/Aid

\$43,317.70

\$ 43,317.70

Home Visiting

Levy

\$1,267.20

\$ 1,267.20

School Age Care

Levy

\$ (12,500.00)

\$25,000.00

\$ 12,500.00

\$12,500.00

Abatement Adjustments

\$ 219.31

\$ 219.31

Total Reductions

\$ (111,410.00)

#7 - General Debt Service - Voter Approved

Building Bond Debt

\$215,261.00

Proposed 2012

\$2,525,991.73

\$2,414,586.72

Pay 2011

\$ 2,347,529.92

\$67,056.80

2.8565%

Proposed Increase

\$178,461.81

Public Comments and Discussion.....



Thank you for supporting
Glencoe-Silver Lake Schools

<http://www.gsl.k12.mn.us>

