



# Truth in Taxation 2025 Proposed Property Tax Levy

Monticello Public Schools  
District Office  
December 2, 2024  
6:00 pm

Email: [tina.burkholder@monticello.k12.mn.us](mailto:tina.burkholder@monticello.k12.mn.us)

# Truth in Taxation Agenda

- Review of Meeting Requirements
- Presentation of Current School Year Budget
- Presentation of Proposed Tax Levy
- Public Comment



# Truth in Taxation Requirements

- Taxing jurisdictions must present information and receive comments from audience at a regularly scheduled meeting between November 25 and December 26 at 6:00pm or later
- State law requires that school districts present information on the current year budget
- State law also requires that we present information on the proposed property tax levy, including:
  - The percentage increase or decrease from the prior year
  - Specific purposes and reasons for which taxes are being increased
- District must also allow for public comment



# Budget Cycle vs. Tax Levy

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

- Budget
  - School fiscal year is July 1 through June 30
  - Final budget approved in June, 6 months later
  - Mid-year budget revisions in January
- Property Tax Levy
  - Final levy set in December
  - Property taxes levied on a calendar year basis



# Budget Information

Because approval of the budget lags behind certification of the tax levy by six months, only current year budget information will be presented at this hearing



# Budget Information

- All school district budgets are divided into separate funds, based on purposes of revenue, as required by law
- For Monticello Public Schools:
  - **General fund** (includes the Special Ed Cooperative)
  - Food Service fund
  - **Community Service fund** (includes the Hockey fund)
  - **Debt Service fund**
  - Internal Service fund
  - OPEB Trust fund

**Funds** have a tax levy component




# 2024-2025 Adopted Budget

	6/30/2024 Audited Balance	Revenues	Expenditures	Surplus / (Deficit)	6/30/2025 Projected Balance
General Fund	7,918,501	70,247,030	70,699,293	(452,263)	7,466,238
Food Service	1,487,102	2,764,382	3,137,203	(372,821)	1,114,281
Community Service	313,926	5,233,094	5,142,946	90,148	404,074
Debt Service	960,142	3,723,347	3,655,075	68,272	1,028,414
Internal Service	193,716	646,648	627,396	19,252	207,611
OPEB Trust	1,135,487	1,894,948	2,105,637	(210,689)	924,798
<b>Total</b>	<b>12,008,874</b>	<b>84,509,449</b>	<b>85,367,550</b>	<b>(858,101)</b>	<b>11,145,416</b>



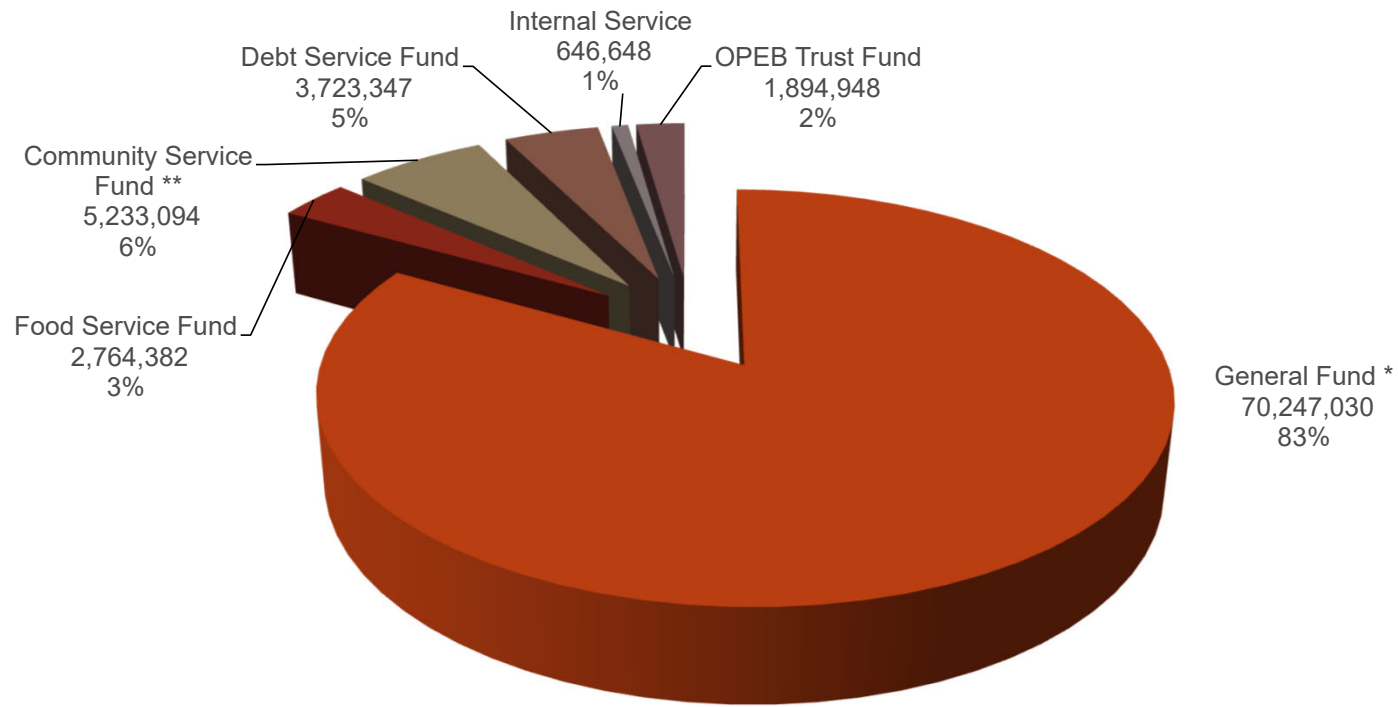
# 2024-2025 Budget Form

		Division of School Finance 400 NE Stinson Blvd. Minneapolis, MN 55413		<b>District Revenues and Expenditures</b> <b>Budget for Fiscal Year (FY) 2024 and FY 2025</b>			ED-00110-47
<b>General Information:</b> Minnesota Statutes 2023, section 123B.10, requires that every school board shall publish the subject data of this report.							
District Name:		Monticello			District Number:		0882-01
Fund	FY 2024 Beginning Fund Balances	FY 2024 Actual Revenues and Transfers In	FY 2024 Actual Expenditures and Transfers Out	June 30, 2024 Actual Fund Balances	FY 2025 Budget Revenues and Transfers In	FY 2025 Budget Expenditures and Transfers Out	June 30, 2025 Projected Fund Balances
General Fund/Restricted	\$ 2,568,329	\$ 7,758,964	\$ 8,122,261	\$ 2,205,032	\$ 7,565,935	\$ 7,938,958	\$ 1,832,009
General Fund/Other	\$ 4,853,075	\$ 62,346,583	\$ 61,486,189	\$ 5,713,469	\$ 62,681,095	\$ 62,760,335	\$ 5,634,229
Food Service Fund	\$ 907,161	\$ 3,537,001	\$ 2,957,060	\$ 1,487,102	\$ 2,764,382	\$ 3,137,203	\$ 1,114,281
Community Service Fund	\$ 444,258	\$ 5,062,373	\$ 5,192,705	\$ 313,926	\$ 5,233,094	\$ 5,142,946	\$ 404,074
Building Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	\$ 1,794,246	\$ 2,817,871	\$ 3,651,975	\$ 960,142	\$ 3,723,347	\$ 3,655,075	\$ 1,028,414
Trust Fund	\$ 2,469,444	\$ 153,417	\$ 2,622,861	\$ -	\$ -	\$ -	\$ -
Internal Service Fund	\$ 228,675			\$ 193,716			\$ 207,611
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund	\$ 1,308,932	\$ 1,899,456	\$ 2,072,901	\$ 1,135,487	\$ 1,894,948	\$ 2,105,637	\$ 924,798
OPEB Debt Service Fund	\$ -			\$ -			\$ -
<b>Total - All Funds</b>	<b>\$ 14,574,120</b>	<b>\$ 83,575,665</b>	<b>\$ 86,105,952</b>	<b>\$ 12,008,874</b>	<b>\$ 83,862,801</b>	<b>\$ 84,740,154</b>	<b>\$ 11,145,416</b>
<b>Long-Term Debt</b>		<b>Current Statutory Operating Debt per Minnesota Statutes, section 123B.81</b>					
Outstanding July 1, 2023	\$ 40,890,000	Amount of General Fund Deficit, if any, in excess of 2.5% of expenditures 06/30/2024			\$ -		
Plus: New Issues	\$ -						
Less: Redeemed Issues	\$ 2,375,000	<b>Cost per student - Average Daily Membership (ADM) 06/30/2024</b>					
Outstanding June 30, 2024	\$ 38,515,000						
<b>Short-Term Debt</b>		Total Operating Expenditures			\$ 75,058,655.00		
Certificates of Indebtedness	\$ -	FY 2024 Total ADM Served + Tuitioned Out ADM + Adjusted Extended ADM			4,143.41		
Other Short-Term Indebtedness	\$ -	FY 2024 Operating Cost per ADM			\$ 18,115.19		
<b>The complete budget may be inspected upon request to the superintendent.</b>							
<b>Comments:</b> The 2023-24 audit is pending School Board approval at the December 2nd School Board meeting. The General Fund includes expenditures related to the Sherburne & Northern Wright Special Education Cooperative. The General Fund/Other Fund Balance includes the Nonspendable, Committed, and Assigned Fund Balances. The General Fund's 23-24 Unassigned/Nonspendable Fund Balance is \$5,270,742 which represents 9.2% of expenditures, when you exclude \$12,293,431 of the Cooperative's expenditures.							
* Other Post-Employment Benefits (OPEB)							





# 2024-2025 Revenue Budget

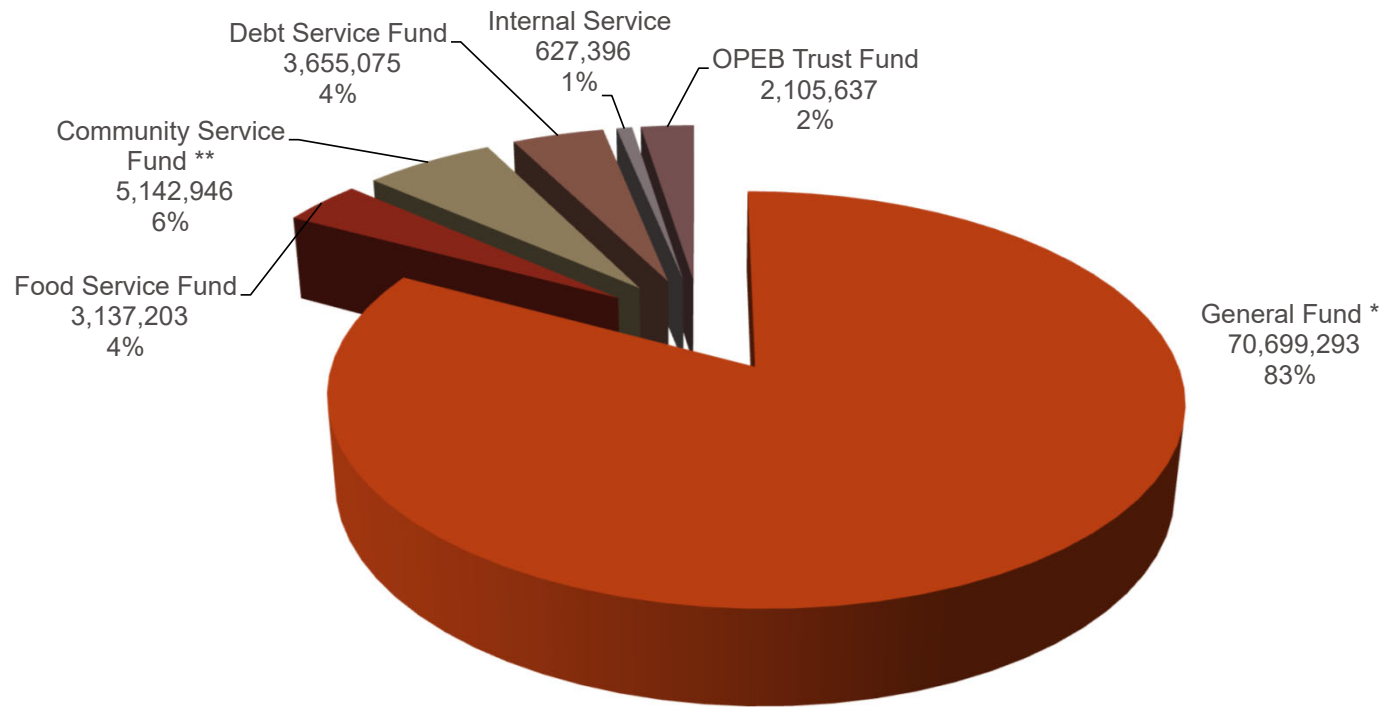


\*General fund includes the Special Ed Cooperative

\*\*Community Service fund includes the Hockey fund



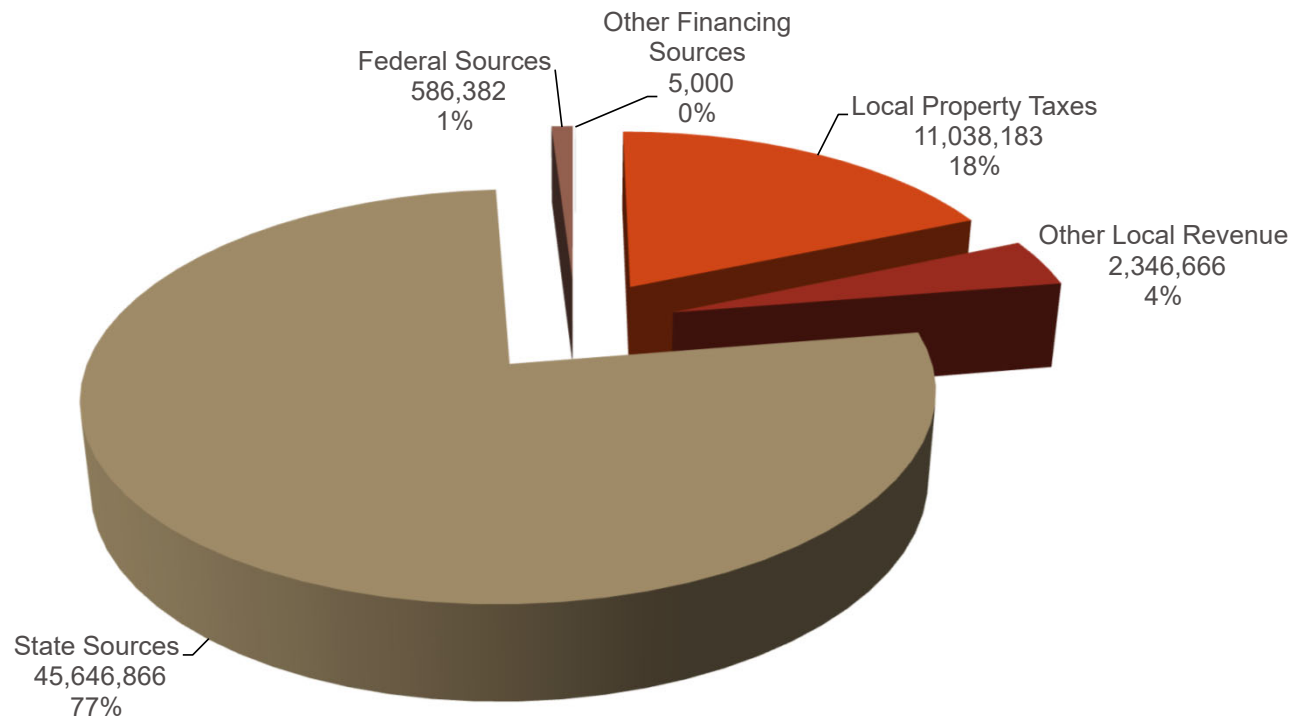
# 2024-2025 Expenditure Budget



\*General fund includes the Special Ed Cooperative  
\*\*Community Service fund includes the Hockey fund



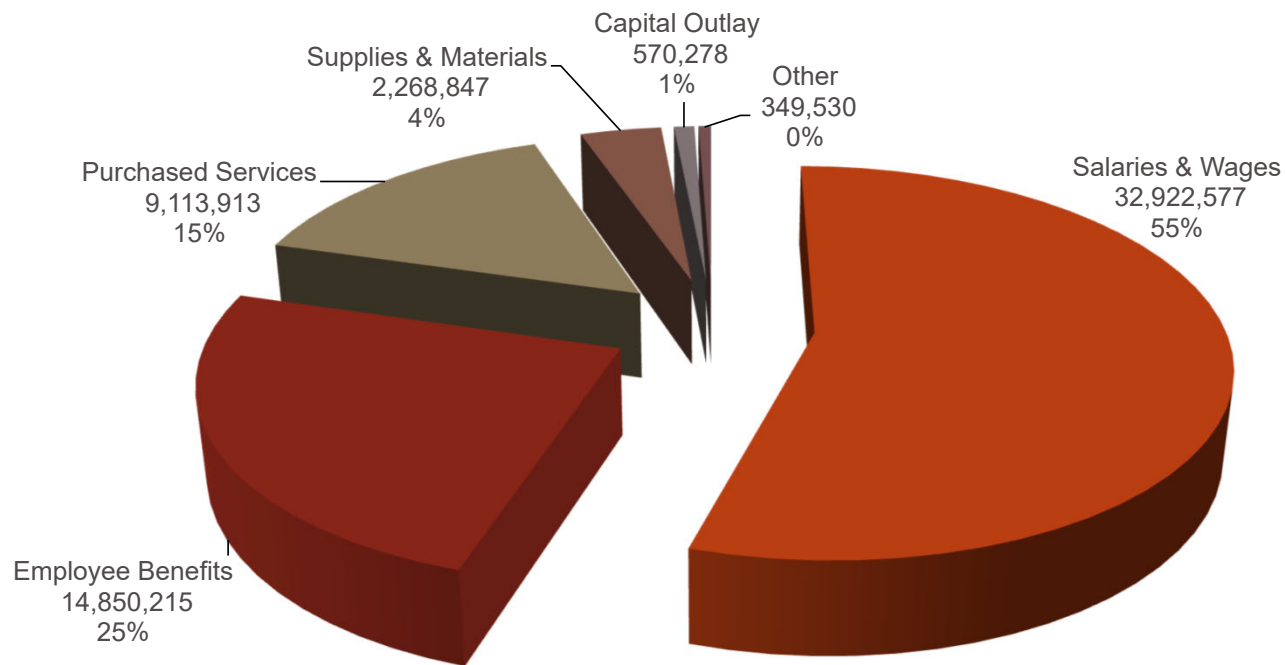
# 2024-2025 General Fund Rev.



*\*Does not include Fund 12 Sp Ed Coop revenues of \$10,623,933*



# 2024-2025 General Fund Exp.



*\*Does not include Fund 12 Sp Ed Coop expenses of \$10,623,933*



# Property Tax Levy Fundamentals

- State limits the local property tax levy by statutorily defined formulas
- Levy limitation formulas are driven by:
  - Enrollment counts
  - Specific eligible expenditure types
  - Population
  - Voter approved referendums
  - Districtwide property valuations



# Property Tax Levy Fundamentals

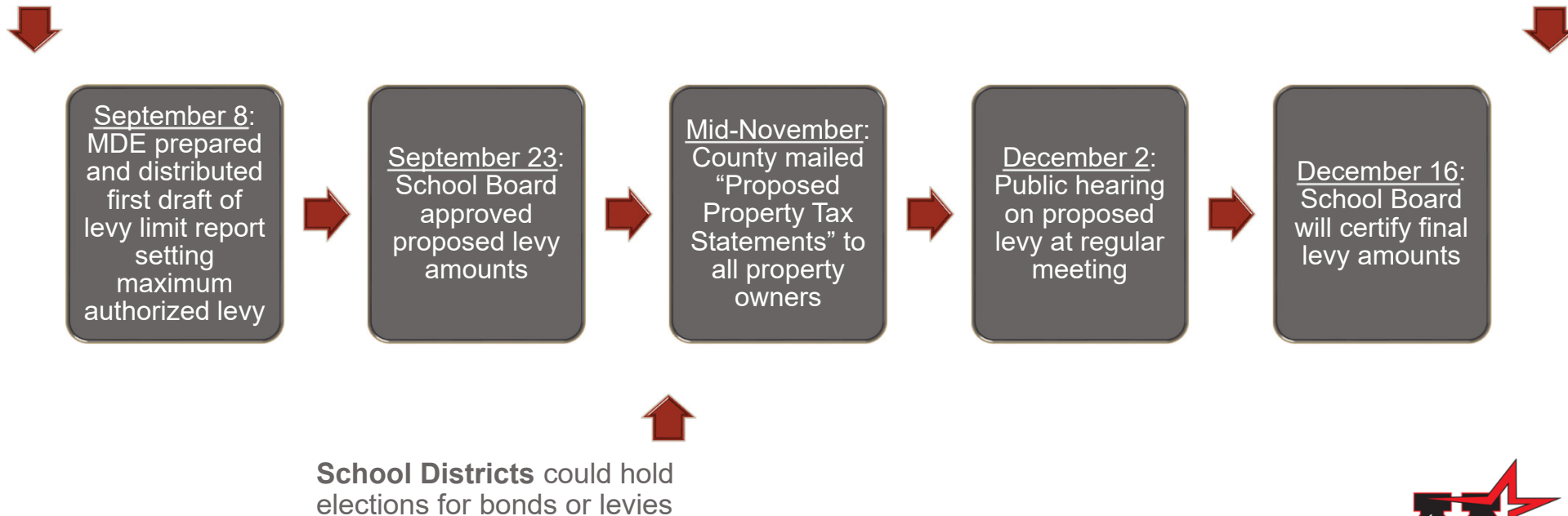
- Change in tax levy does not determine a change in budget
- Some increases in tax levies are revenue neutral, offset by reductions in state aid
  - Examples: Voter-approved Referendum, Local Optional Revenue, Operating Capital, Long-term Facility Maintenance Revenue



# Property Tax Levy Timeline

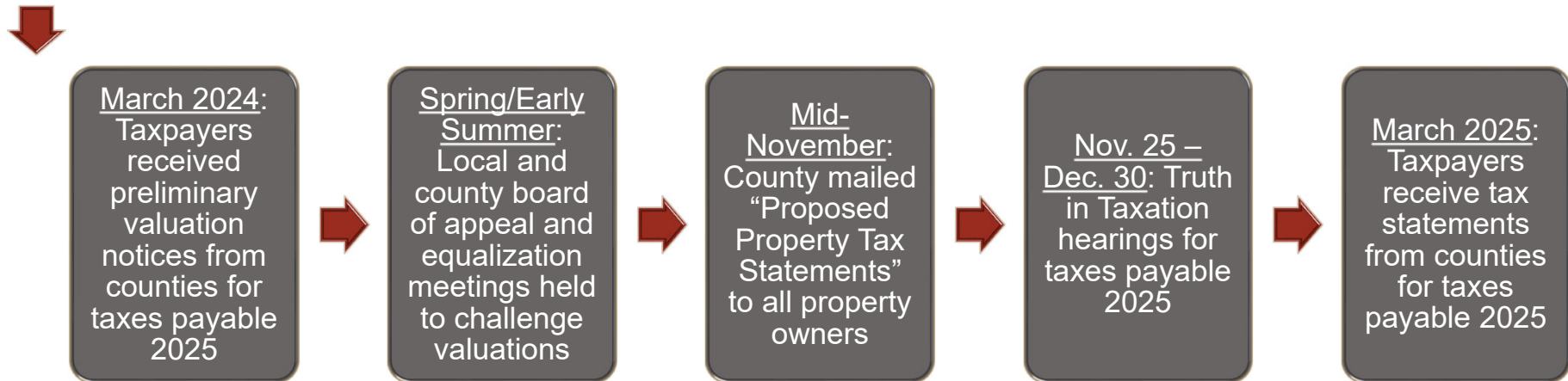
**School Districts** provide information to the State for levy calculations (ex: enrollment, restricted expenses)

**School Districts** receive property taxes from counties the following year



# Property Tax Levy Timeline for Taxpayers

**January 2:** property values are assessed by counties



**November:** possible referendum questions on election ballot





# Proposed Levy Payable 2025

- Proposed property tax levy for 2025 is a decrease from 2024 of \$157,274.07 or -1.08%

	2024	2025
General Fund	10,820,271.90	10,688,825.29
Community Service	413,990.61	430,781.84
Debt Service	3,317,966.60	3,275,347.91
Total	14,552,229.11	14,394,955.04



# Proposed Levy Payable 2025

Monticello School District #882

DATE 11/21/24

Comparison of Proposed Tax Levy Payable in 2025 to Actual Levy Payable in 2024 by Fund Using Final Levy Payable in 2024 as Base Year				
	2024 Final Levy	2025 Preliminary Proposed Levy	Change from Prior Year	Percent Change
<b>General Fund</b>				
1 Voter Approved Referendum	\$ 3,322,868.30	\$ 3,162,489.54	\$ (160,378.76)	
2 Equity	\$ 630,643.93	\$ 613,739.89	\$ (16,904.04)	
3 Local Optional Revenue	\$ 3,198,887.22	\$ 3,203,080.23	\$ 4,193.01	
4 Transition	\$ 30,497.04	\$ 29,424.30	\$ (1,072.74)	
5 Operating Capital	\$ 533,305.15	\$ 594,040.40	\$ 60,735.25	
6 Achievement & Integration	\$ 109,476.71	\$ 110,749.73	\$ 1,273.02	
7 Reemployment Ins	\$ 50,731.16	\$ 476.99	\$ (50,254.17)	
8 Safe Schools	\$ 160,010.64	\$ 166,586.76	\$ 6,576.12	
9 Career Technical	\$ 334,026.15	\$ 363,357.91	\$ 29,331.76	
10 Other Postemployment Benefits	\$ 1,382,323.96	\$ 1,344,238.04	\$ (38,085.92)	
11 LT Facilities Equal	\$ 365,666.46	\$ 344,006.30	\$ (21,660.16)	
12 LT Facilities Unequal	\$ 399,635.85	\$ 431,960.87	\$ 32,325.02	
13 Lease Levy	\$ 294,051.75	\$ 310,075.52	\$ 16,023.77	
14 General Fund Adjustments	\$ 8,147.58	\$ 14,598.81	\$ 6,451.23	
<b>Total General Fund Levy</b>	<b>\$ 10,820,271.90</b>	<b>\$ 10,688,825.29</b>	<b>\$ (131,446.61)</b>	<b>-1.21%</b>



# Proposed Levy Payable 2025

Monticello School District #882

DATE 11/21/24

Comparison of Proposed Tax Levy Payable in 2025 to Actual Levy Payable in 2024 by Fund Using Final Levy Payable in 2024 as Base Year				
	2024 Final Levy	2025 Preliminary Proposed Levy	Change from Prior Year	Percent Change
<b>Community Service Fund</b>				
1 Basic Community Education	\$ 199,706.32	\$ 198,085.62	\$ (1,620.70)	
2 Early Childhood Family Education	\$ 101,907.48	\$ 119,873.47	\$ 17,965.99	
3 Home Visiting	\$ 3,640.74	\$ 3,374.87	\$ (265.87)	
4 Adults with Disabilities	\$ 3,217.81	\$ 3,183.30	\$ (34.51)	
5 School Age Care	\$ 105,339.83	\$ 105,626.04	\$ 286.21	
6 CE Adjustments	\$ 178.43	\$ 638.54	\$ 460.11	
<b>Total Community Service Fund Levy</b>	<b>\$ 413,990.61</b>	<b>\$ 430,781.84</b>	<b>\$ 16,791.23</b>	<b>4.06%</b>
<b>Debt Service Fund</b>				
1 Voter Approved Debt Service	\$ 2,477,292.00	\$ 2,477,029.00	\$ (263.00)	
2 LT Facilities Debt Service	\$ 1,041,161.37	\$ 1,066,235.79	\$ 25,074.42	
3 Reduction for Excess Fund Balance	\$ (202,886.91)	\$ (275,014.93)	\$ (72,128.02)	
4 Debt Service Fund Adjustments	\$ 2,400.14	\$ 7,098.05	\$ 4,697.91	
<b>Total Debt Service Fund Levy</b>	<b>\$ 3,317,966.60</b>	<b>\$ 3,275,347.91</b>	<b>\$ (42,618.69)</b>	<b>-1.28%</b>
<b>Total Certified Levy</b>	<b>\$ 14,552,229.11</b>	<b>\$ 14,394,955.04</b>	<b>\$ (157,274.07)</b>	<b>-1.08%</b>



# Explanation of Levy Changes

- Category: Voter Approved Referendum
- Change: -160,378.76
- Use of funds: general operating expenses
- Reason for decrease:
  - Funding for this program is provided through a combination of state aid and local tax levies.
  - This property tax levy is also affected by inflation increases and student enrollment.
  - Last year had higher increases due to inflation estimates catching up.



# Explanation of Levy Changes

- Category: Operating Capital
- Change: +60,735.25
- Use of funds: capital-related expenses
- Reason for increase:
  - Funding for this program is provided through a combination of state aid and local tax levies.
  - More in levy, less in state aid due to property valuation increases.



# Explanation of Levy Changes

- Category: Reemployment
- Change: -50,254.17
- Use of funds: unemployment costs
- Reason for decrease:
  - Levy is based on actual costs. If costs are less than projected, the future levy will be reduced.
  - The levy estimate for Payable 2023 was less than the actual costs for the 2022-23 school year.



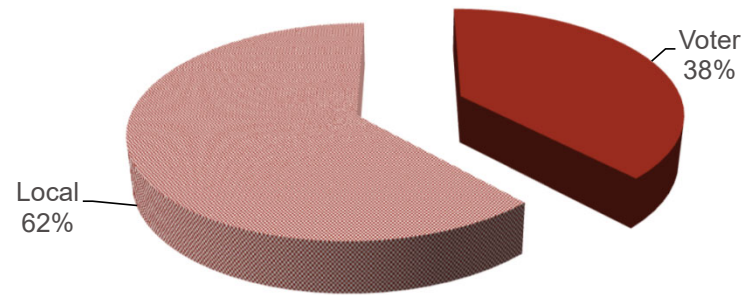
# Explanation of Levy Changes

- Category: Reduction for Excess Fund Balance
- Change: -72,128.02
- Use of funds: to cover delinquencies in tax collections
- Reason for decrease:
  - School districts have to levy 105% of their bond and interest payments to cover future delinquent tax collections.
  - The State reviews the Debt Service fund balance and makes adjustments accordingly.

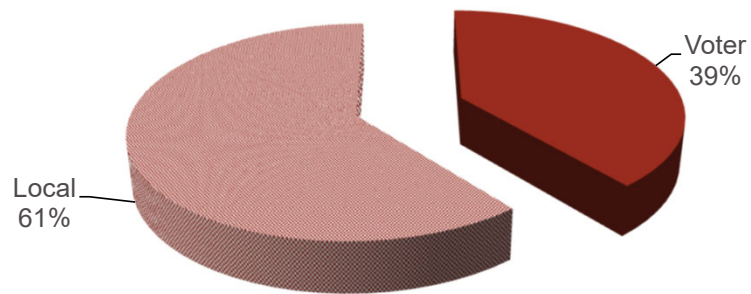


# Levy Limitation Comparison

2025 Final Projected Tax Levy



2024 Tax Levy





# Impact to Taxpayers

- Many factors can cause the tax bill for an individual property to increase or decrease from year to year
  - Change in value of the individual property
  - Change in total value of all property in the district
  - Increases or decreases in levy amounts caused by changes in state funding formulas, local needs and costs, voter-approved referendums, and other factors



# Impact to Taxpayers – 4 years Levy Comparison

- Examples include school district taxes only & are shown based on no change and a 21.0% increase in property value for residential homes over the past four years
  - Actual changes in value may be more or less than this for any parcel of property
  - Intended to provide a fair representation of what happened to school district property taxes over this period for typical properties
- Amounts for 2025 are preliminary estimates, based on best data available now – final figures could change slightly
- Estimates were prepared by Ehlers (District's municipal financial advisors)



# Impact to Taxpayers – 4 years Levy Comparison

Estimated Changes in School Property Taxes, 2022 to 2025  
*Based on No Changes in Property Values*

Type of Property	Estimated Market Value	Actual Taxes Payable in 2022	Actual Taxes Payable in 2023	Actual Taxes Payable in 2024	Estimated Taxes Payable in 2025	Change in Taxes 2022 to 2025	Change in Taxes 2024 to 2025
Residential Homestead	\$100,000	\$290	\$282	\$274	\$257	-\$33	-\$17
	150,000	463	447	437	417	-46	-20
	200,000	637	612	599	577	-60	-22
	250,000	810	777	762	737	-73	-25
	300,000	984	942	924	897	-87	-27
	350,000	1,157	1,108	1,086	1,057	-100	-29
	400,000	1,331	1,273	1,249	1,218	-113	-31
	450,000	1,500	1,433	1,407	1,378	-122	-29
	500,000	1,666	1,593	1,563	1,538	-128	-25

## General Notes

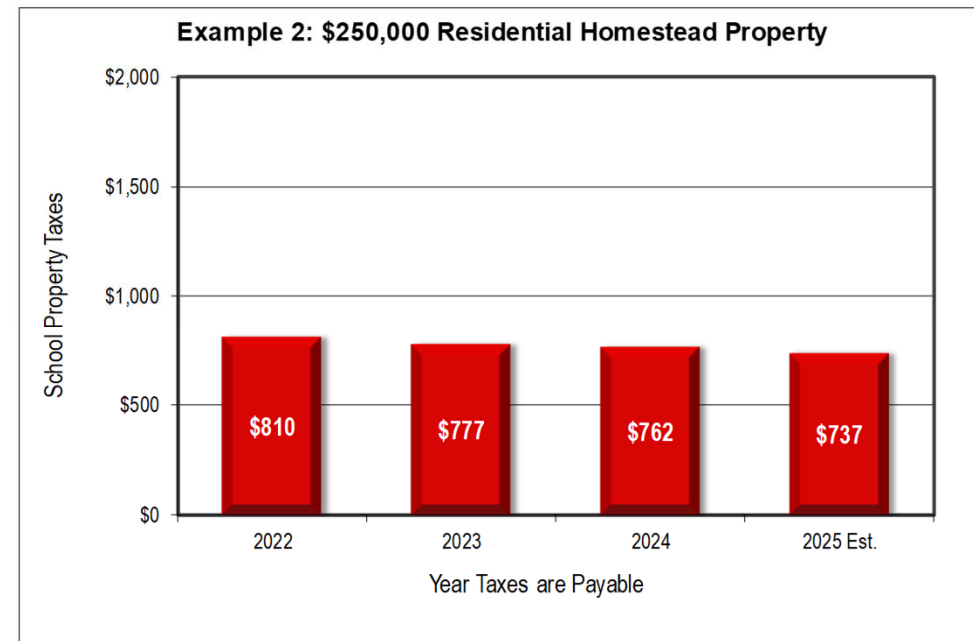
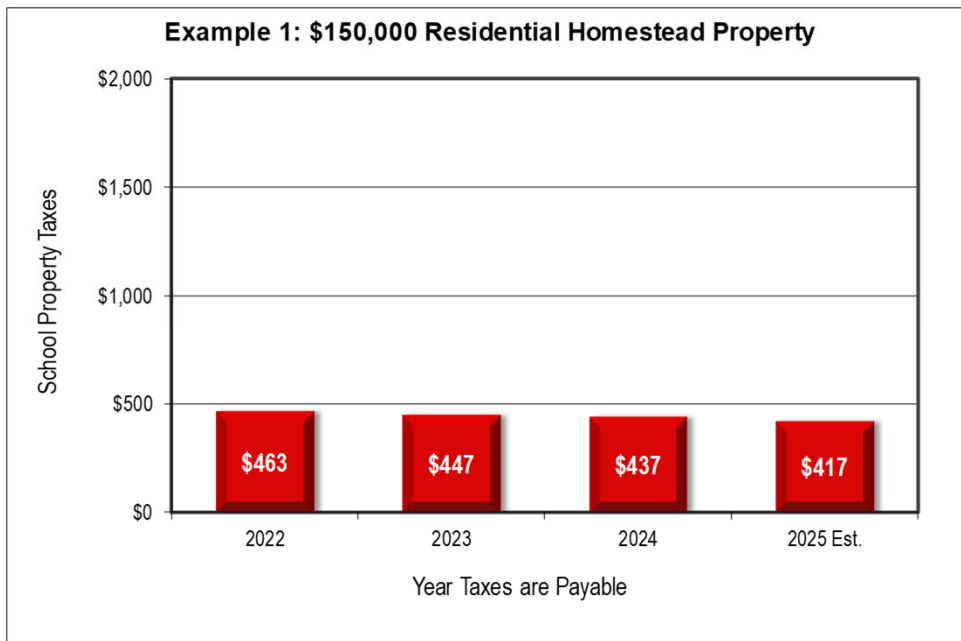
1. Amounts are based on school district taxes only, and do not include taxes for city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2025 are preliminary, based on the best data available.
3. For all examples of properties, taxes are calculated based on no changes in estimated market value from 2022 to 2025.



# Monticello School District, ISD 882

## Estimated Changes in School Property Taxes, 2022-25

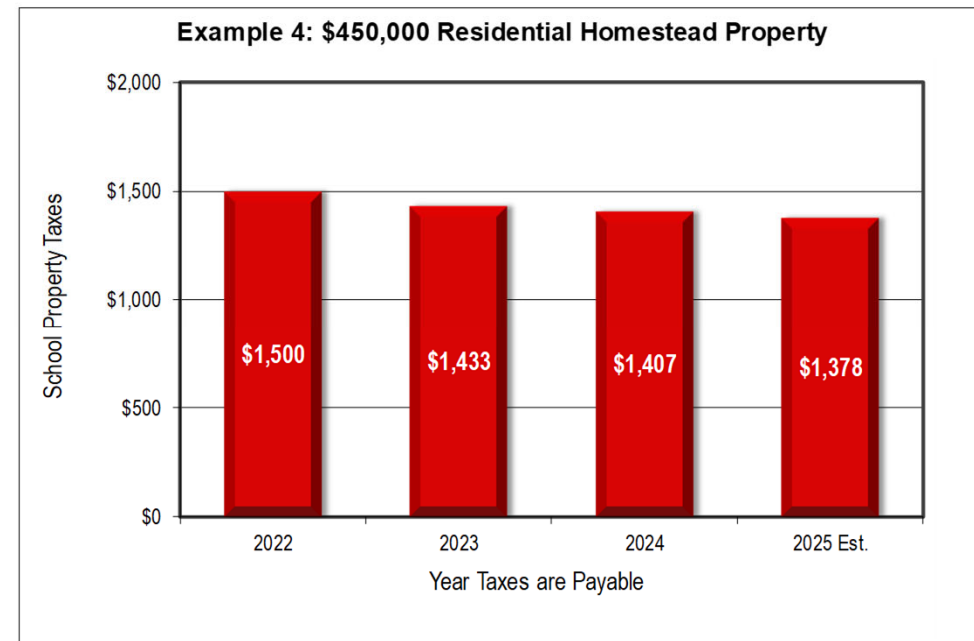
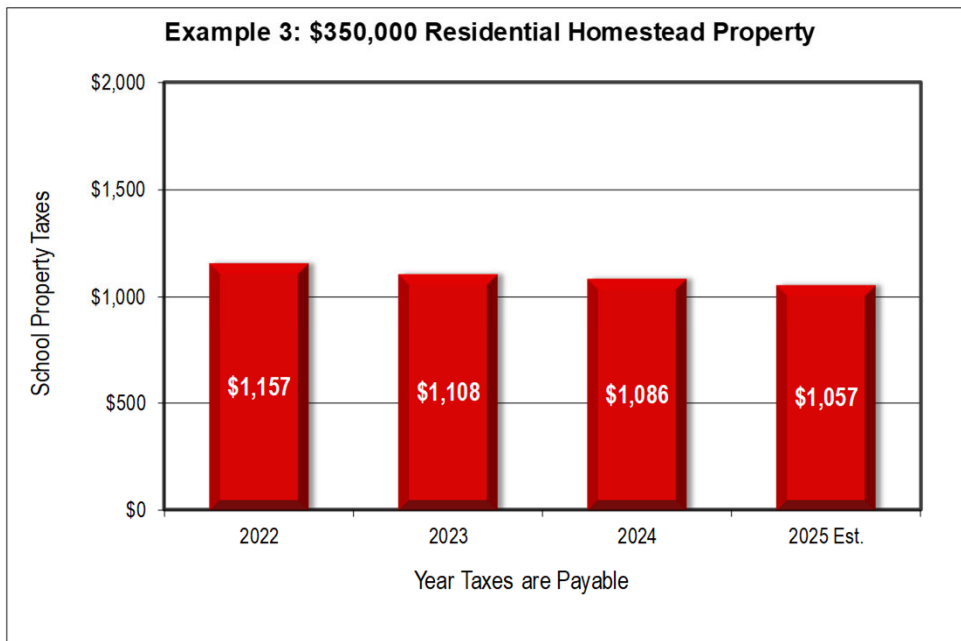
*Based on No Changes in Property Value*



# Monticello School District, ISD 882

## Estimated Changes in School Property Taxes, 2022-25

*Based on No Changes in Property Value*



# Impact to Taxpayers – 4 years Levy Comparison

Estimated Changes in School Property Taxes, 2022 to 2025

Based on 21.0% Cumulative Changes in Property Value from 2022 to 2025 Taxes

Type of Property	Estimated Market Value for 2022 Taxes	Actual Taxes Payable in 2022	Estimated Market Value for 2023 Taxes	Actual Taxes Payable in 2023	Estimated Market Value for 2024 Taxes	Actual Taxes Payable in 2024	Estimated Market Value for 2025 Taxes	Estimated Taxes Payable in 2025	Change in Taxes 2022 to 2025	Change in Taxes 2024 to 2025
Residential Homestead	\$82,672	\$229	\$92,593	\$258	\$100,000	\$274	\$100,000	\$257	\$28	-\$17
	124,008	373	138,889	411	150,000	437	150,000	417	44	-20
	165,344	516	185,185	563	200,000	599	200,000	577	61	-22
	206,680	660	231,481	716	250,000	762	250,000	737	77	-25
	248,016	803	277,778	869	300,000	924	300,000	897	94	-27
	289,352	947	324,074	1,022	350,000	1,086	350,000	1,057	110	-29
	330,688	1,090	370,370	1,175	400,000	1,249	400,000	1,218	128	-31
	372,024	1,234	416,667	1,327	450,000	1,407	450,000	1,378	144	-29
	413,360	1,377	462,963	1,475	500,000	1,563	500,000	1,538	161	-25

**General Notes**

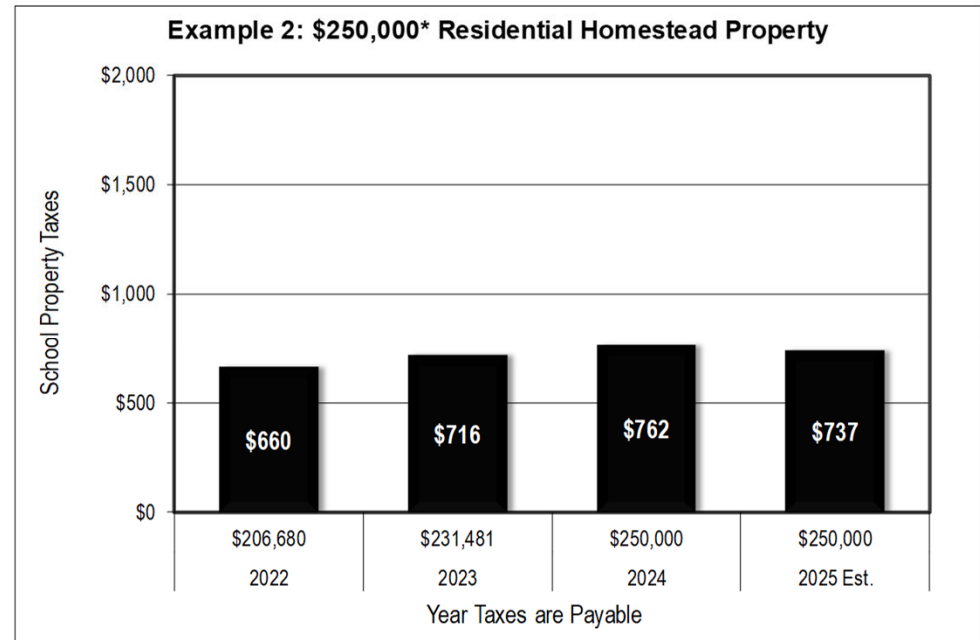
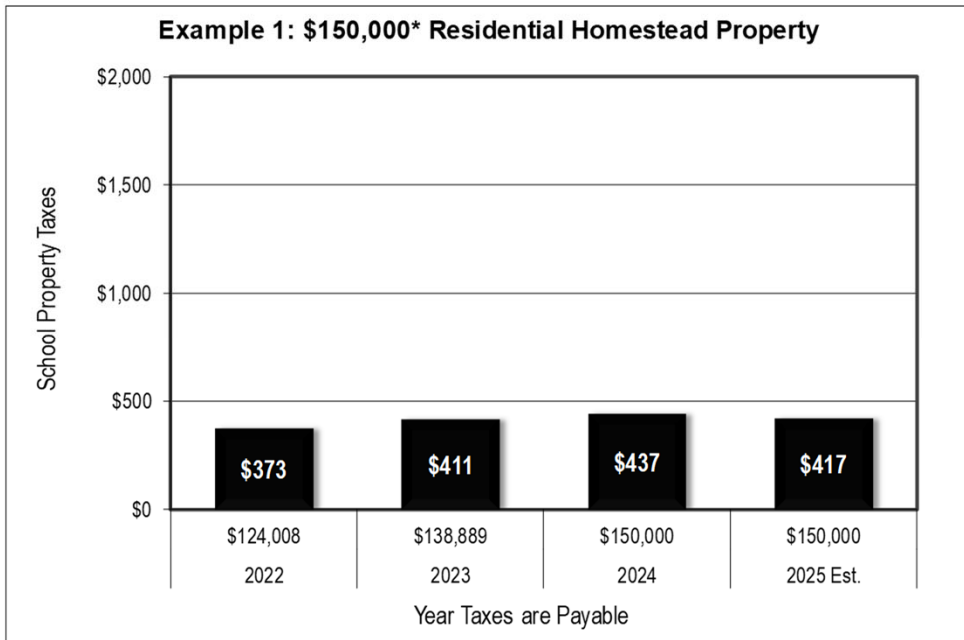
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# Monticello School District, ISD 882

## Estimated Changes in School Property Taxes, 2022-25

*Based on 21.0% Cumulative Changes in Property Value*

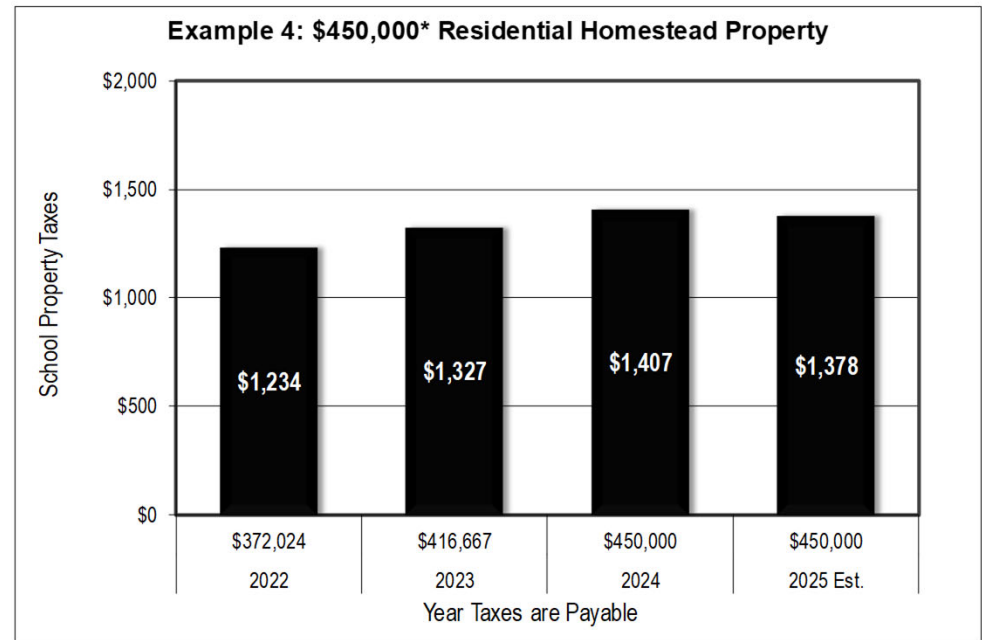
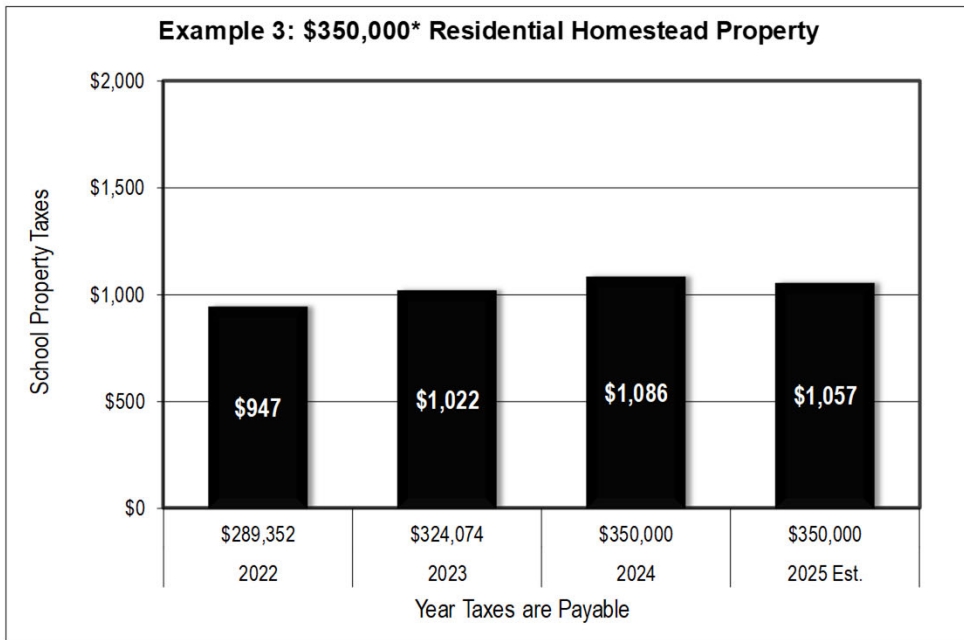


\* Estimated market value for taxes payable in 2025. Taxes are calculated based on changes in market value of 12.0% from 2022 to 2023, 8.0% from 2023 to 2024 and 0.0% from 2024 to 2025.

# Monticello School District, ISD 882

## Estimated Changes in School Property Taxes, 2022-25

*Based on 21.0% Cumulative Changes in Property Value*



\* Estimated market value for taxes payable in 2025. Taxes are calculated based on changes in market value of 12.0% from 2022 to 2023, 8.0% from 2023 to 2024 and 0.0% from 2024 to 2025.



# Impact of Property Valuations



- Each property owner pays a portion of the pie
- Property values do not change uniformly across all properties
- The burden of the levy shifts from taxpayers with lower increases to those with higher increases

Higher Market Value Increase = Bigger Slice



Lower Market Value Increase = Smaller Slice



# Impact of Property Valuations



Two properties in the district

- Both houses are valued at \$100,000



Total levy of \$500

- Each property will pay \$250 of levy

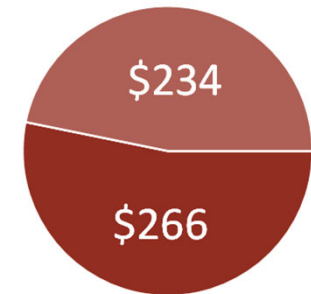


# Impact of Property Valuations



Two properties in the district

- Gray house value increases by 10%
- Red house value increases by 25%



Total levy of \$500

- School District will still generate the same amount of levy even though values increased
- Gray house pays less
- Red house pays more



# Impact of Property Valuations – School District

Referendum Market Value						
2023	2022	2021	2020	2019	2018	2017
4,050,079,017.00	3,656,339,543.00	3,172,972,013.00	3,060,306,544.00	2,942,330,711.00	2,804,520,115.00	2,734,111,066.00
10.77%	15.23%	3.68%	4.01%	4.91%	2.58%	7.99%

Net Tax Capacity						
2023	2022	2021	2020	2019	2018	2017
54,487,811.00	49,041,808.00	43,102,295.00	42,155,953.00	40,518,234.00	39,092,625.00	38,892,767.00
11.10%	13.78%	2.24%	4.04%	3.65%	0.51%	7.52%

# State Property Tax Refunds & Deferral

- State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property
- These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the forms
- For help with the forms and instructions:
  - Consult your tax professional, or
  - Visit the Department of Revenue website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us)



# State Property Tax Refunds & Deferral

## Homestead Credit Refund

- Available for all homestead property, both residential and agricultural (house, garage and 1 acre only - HGA)
- Refund is sliding scale, based on total property taxes and income

## Special Property Tax Refund

- Available for all homestead property, both residential and agricultural (HGA only) with a gross tax increase of at least 12% and \$100 over prior year
- Refund is 60% of tax increase that exceeds greater of 12% or \$100 (max \$1,000)



# State Property Tax Refunds & Deferral

## Senior Citizen Property Tax Deferral

- Allows people 65 years of age or older with household income of \$60,000 or less to defer a portion of property taxes on their home
- Deferred property taxes plus accrued interest must be paid when home is sold or homeowner(s) dies



# Final Levy Adoption

DATE: December 16, 2024

TIME: 6:00 pm

PLACE: Monticello Middle School  
Board Room

Public Comments?

