Wayzata Public Schools, ISD 284

Public Hearing for Taxes Payable in 2025

DECEMBER 9, 2024

PRESENTED BY:

SCOTT LESAGE, MBA, MAcc

EXECUTIVE DIRECTOR, FINANCE & OPERATIONS

Minnesota State Law Requirements

A Public Meeting…

- Between November 25th & December 30th
- At 6:00 PM or later
- May be part of regularly scheduled meeting
- Must allow for public comments
- May adopt final levy at same meeting

…and Presentation of:

- Current year budget
- Proposed property tax levy

WAYZATA PUBLIC SCHOOLS

Hearing Agenda



Background Information on School Funding



District's Budget



District's Proposed Tax Levy for Taxes Payable in 2025



Public Comments

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MN Legislature Must Set Funding for Minnesota Public Schools

Minnesota Constitution ARTICLE XIII

MISCELLANEOUS SUBJECTS

Section 1

“UNIFORM SYSTEM OF PUBLIC SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The ***legislature shall make such provisions by taxation or otherwise*** as will secure a thorough and efficient system of public schools throughout the state.”

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As a Result, Funding is Highly Regulated

State Sets:

- Formulas which determine revenue; most revenue based on specified amounts per pupil
- Tax policy for local schools
- Maximum authorized property tax levy
  - Districts can levy less, but not more than amount authorized by state, unless approved by voters in November

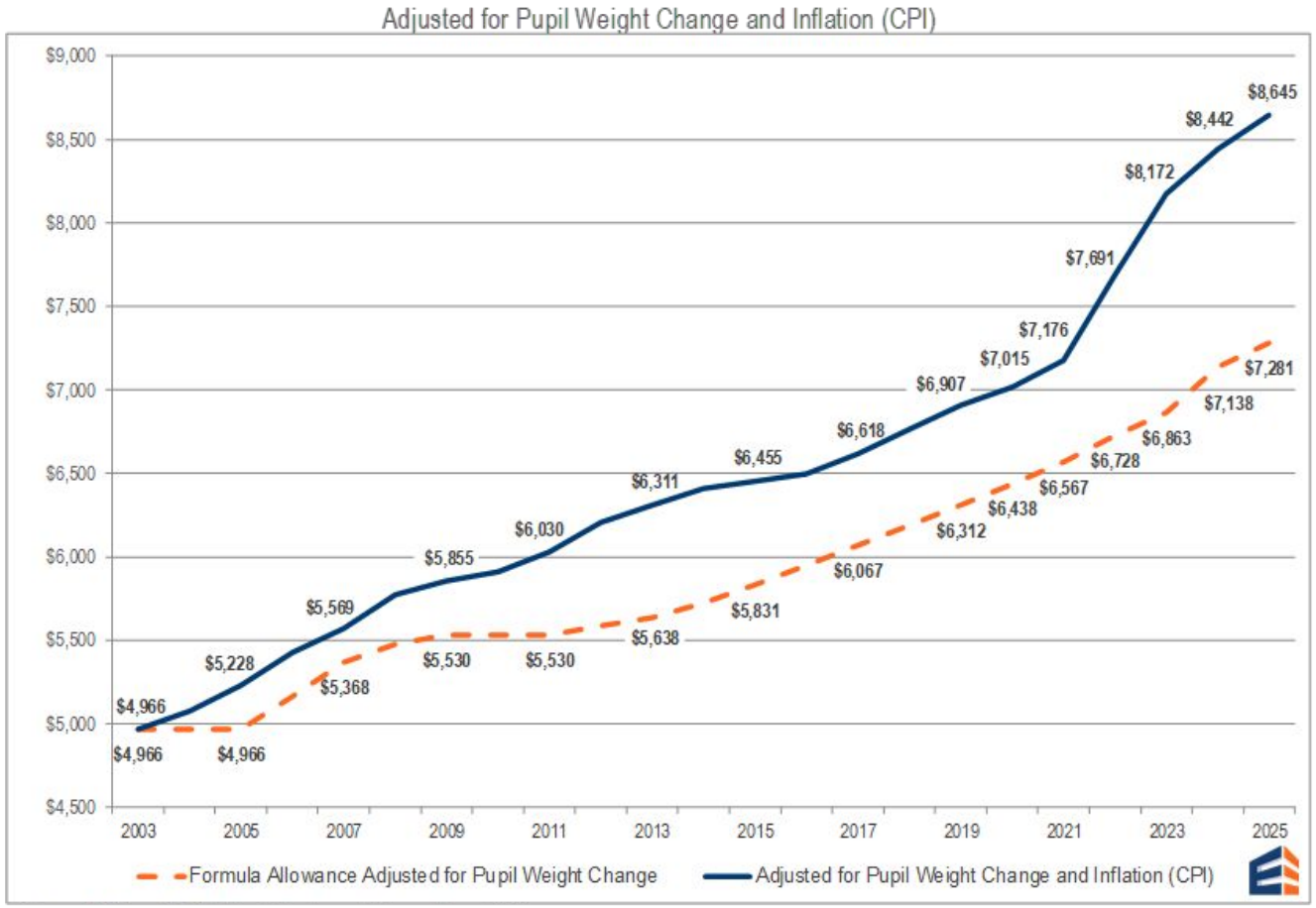
State also authorizes school board to submit referendums for operating & capital needs to voters for approval

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General Education Formula Allowance, 2003-25

- Funding is since 2002-03, state General Education Revenue formula has not kept pace with inflation
- For Fiscal Year 2023-24, an increase of 4.00% or $275 over previous year was approved
- For Fiscal Year 2024-25, an increase of 2.00% or $143 over previous year was approved

Per-pupil allowance for Fiscal Year 2024-25 of $7,281 would need to increase by another $1,364 (18.7%) to have kept pace with inflation since 2002-03, resulting in an allowance of $8,645



Source: MDE June 2024 Inflation Estimates and Minnesota Laws 2023

Formula Allowance

History, current & for FY2024-25 Prelim Budget

Formula Allowance for FY2024-25:

- The dollar amount per pupil unit used to calculate each district's basic general education revenue.
- The district received 4% on the formula in FY2023-24 but ***that dropped back to 2% for FY2024-25.***

Fiscal Year	Formula Increase	Formula Amount	Formula Increase Amount
FY24	4.0%	$7,138	$275
FY25	2.0%	$7,281	$143
FY26	2.0% Estimated - Subject to Floor	$7,427	$146
FY27	2.17% Estimated	$7,589	$162

Table 6: General Education Formula Increases 1989 to 2025

($ per Pupil Unit)

Fiscal Year	General Ed Formula Allowance	Statutory Dollar Increase in Formula	Formula Increase Adjusted for Roll-ins and Roll-outs & pupil weight changes	% Increase for Adjusted Formulas	Biennial Adjusted Formula Increases Over Previous Biennium
2025	$7,281	$143	$143	2.0%	6%
2024	$7,138	$275	$275	4.0%	—
2023	$6,863	$135	$135	2.0%	4.45%
2022	$6,728	$161	$161	2.45%	—
2021	$6,567	$129	$129	2.0%	4%
2020	$6,438	$126	$126	2.0%	—
2019	$6,312	$124	$124	2.0%	4%
2018	$6,188	$121	$121	2.0%	—
2017	$6,067	$119	$119	2.0%	4%
2016	$5,948	$117	$117	2.0%	—
2015	$5,831	$529	$105	2.0%	3.5%
2014	$5,302	$78	$78	1.5%	—
2013	$5,224	$50	$50	1.0%	2.0%
2012	$5,174	$50	$50	1.0%	—
2011	$5,124	$0	$0	0.0%	0.0%
2010	$5,124	$0	$0	0.0%	—
2009	$5,124	$50	$50	1.0%	3.0%
2008	$5,074	$100	$100	2.0%	—
2007	$4,974	$181	$191	4.0%	8.1%
2006	$4,783	$182	$182	4.0%	—
2005	$4,601	$0	$0	0.0%	0.0%
2004	$4,601	$0	$0	0.0%	—
2003	$4,601	$533	$104	2.6%	5.3%
2002	$4,068	$104	$104	2.6%	—
2001	$3,964	$224	$157	4.2%	9.2%
2000	$3,740	$210	$167	4.7%	—

FY26 and FY27, and beyond: actual increase equal to Consumer Price Index Urban (CPI-U) with a floor of 2.00% and cap of 3.00%. CPI-U determined based upon prior two fourth quarter totals. Language including inflationary increases does not prevent future legislatures from additional increases in the formula.

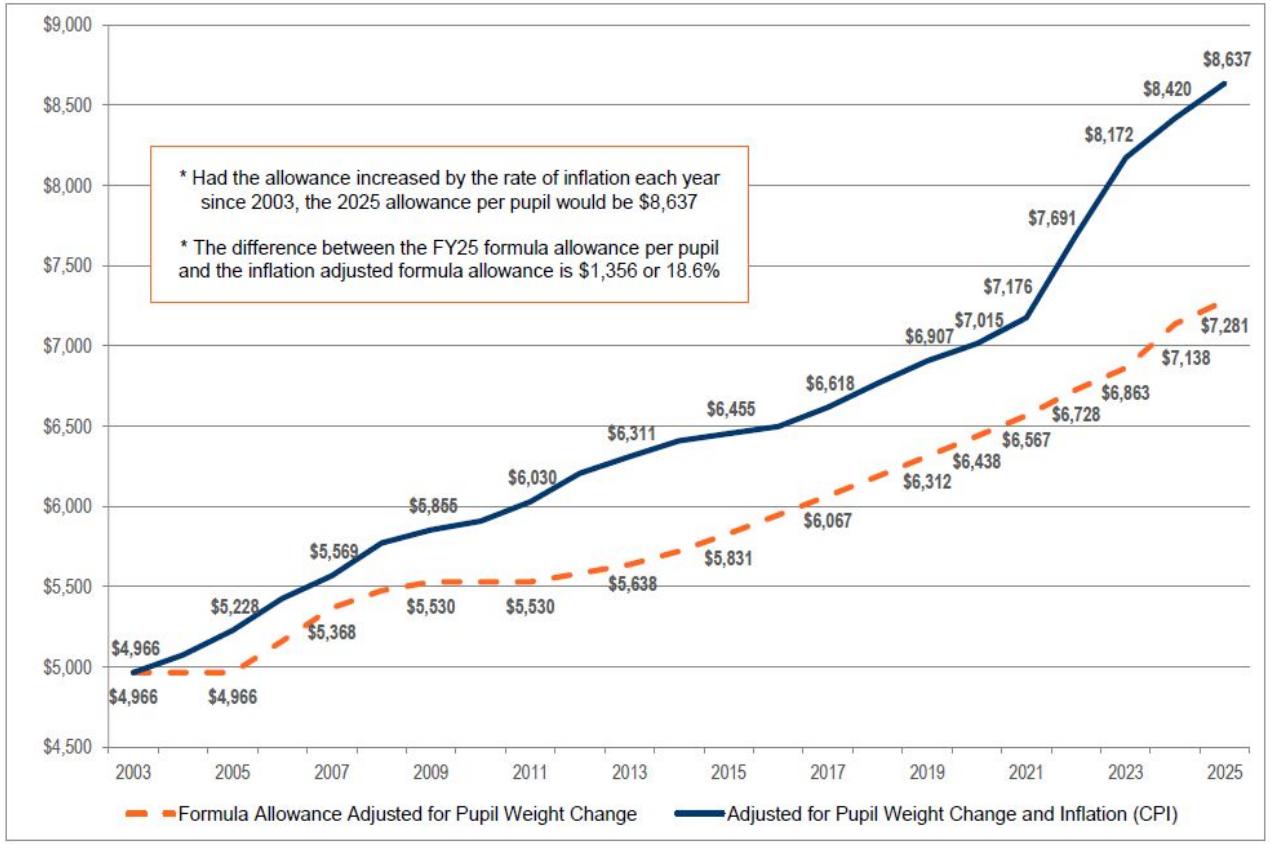
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Impact of the Gen Ed Formula not keeping pace with the rate of inflation

General Education Formula Allowance, 2003-2025

Adjusted for Pupil Weight Change and Inflation (CPI)

GenEd Formula Allowance if adjust by inflation since 2003:	$8,637.00
FY2024-25 Actual GenEd Formula Allowance:	$7,281.00
Difference per pupil:	**$1,356.00**
FY2024-25 Estimated Enrollment Projection:	12,684.00
FY2024-25 Actual GenEd Formula Allowance:	$7,281.00
Estimated Gen Ed Aid Formula Allowance:	**$92,352,204.00**
FY2024-25 Estimated Enrollment Projection:	12,684.00
GenEd Formula Allowance if adjust by inflation since 2003:	$8,637.00
Estimated Gen Ed Aid (if kept pace with inflation):	**$109,551,708.00**
Estimated Gen Ed Aid (if kept pace with inflation):	$109,551,708.00
Estimated Gen Ed Aid Formula Allowance:	$92,352,204.00
Estimated additional $ for WPS in FY2024-25:	**$17,199,504.00**



Source: MDE June 2023 Inflation Estimates and Minnesota Laws 2023

EHLERS
PUBLIC FINANCE ADVISORS

Underfunding of Special Education

According to MN Department of Education (MDE):

FY 2022 costs of providing programs were underfunded statewide by $712 million	Even with recent funding, costs will be underfunded by $408 million statewide by FY 2027

Primary options to bridge funding gap are to cut regular program budgets or increase referendum revenue, most districts have done both

FY2024-25 Preliminary Budget(s)

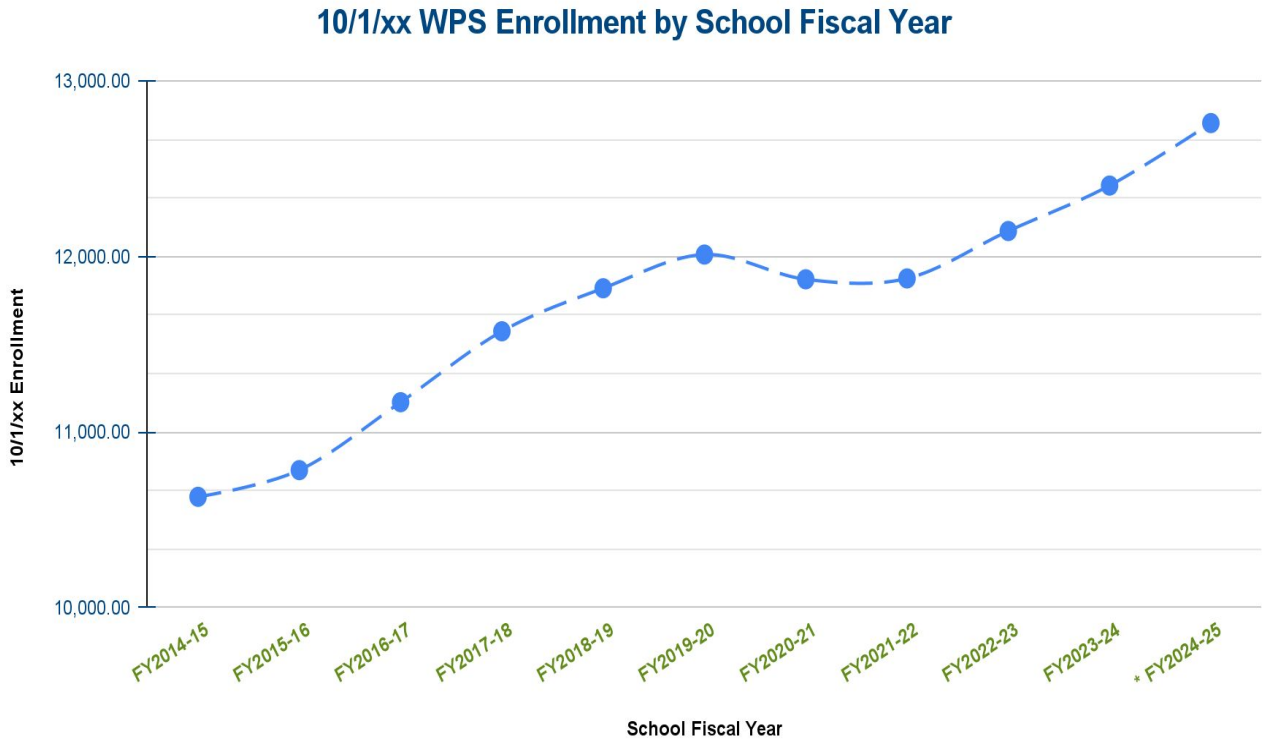
Approved by the Wayzata School Board on June 24, 2024 at a Special School Board Meeting

Important recent historical budget impact factors

The lasting impacts of the Pandemic & the crucial impact Cost Containment played

Student Enrollment - Tracking Change (MARSS12 Report)		
School Fiscal Year	10/1/xx Enrollment	Change from PY
FY2014-15	10,631.00	
FY2015-16	10,783.00	152.00
FY2016-17	11,170.00	387.00
FY2017-18	11,574.00	404.00
FY2018-19	11,819.00	245.00
FY2019-20	12,011.00	192.00
FY2020-21	11,870.00	(141.00)
FY2021-22	11,875.00	5.00
FY2022-23	12,145.00	270.00
FY2023-24	12,404.00	259.00
* FY2022-25	12,760.00	356.00

***Note:** Unofficial 10/1/2024 count until final MARSS in January 2025. Prelim Budget was based on 12,684.



The lasting impacts of the Pandemic & the crucial impact Cost Containment played

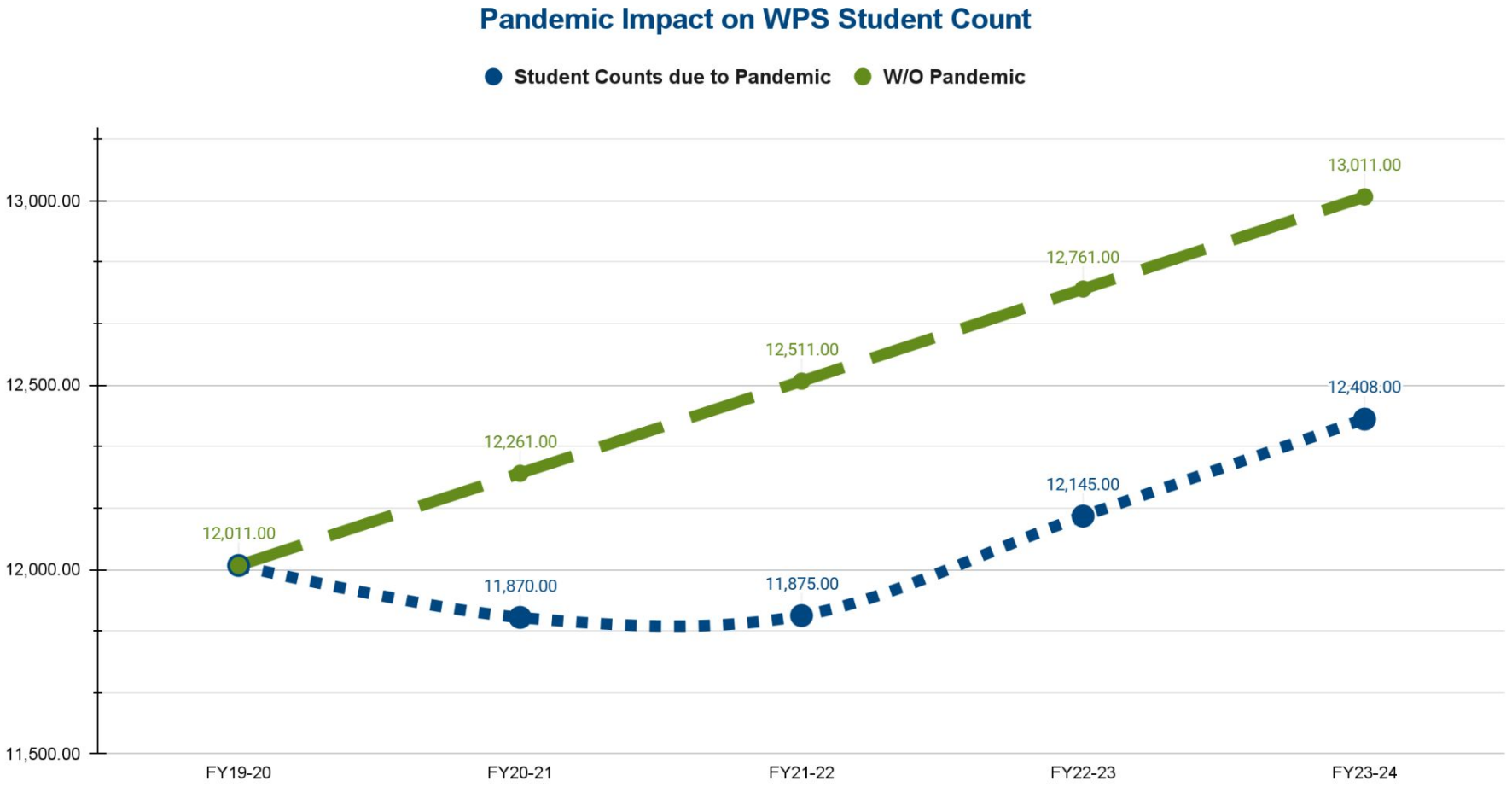
Showing the unique impact(s) of Pandemic on Enrollment & Revenue at WPS						
	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	
MARSS 10/1/xx enrollments:	**12,011.00**	11,870.00	11,875.00	12,145.00	12,408.00	
Estimated annual enrollment increase:		**250**	**250**	**250**	**250**	
Estimate of where we could have been w/out pandemic:		12,261.00	12,511.00	12,761.00	13,011.00	
= difference of what enrollment would have been versus what actually was:		**391.00**	**636.00**	**616.00**	**603.00**	
= Revenues district would have had if not for the pandemic:		**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	
= Revenues lost due to decline in enrollment:		$1,410,000				**Estimated Total(s)**
Scenario #1 - Estimate: 250 Students each year @$10K (Aid & Levy):		$3,910,000	$2,500,000	$2,500,000	$2,500,000	$11,410,000
Scenario #2 - Estimate: Revenue WPS would have had w/Aid & Levy (compounding):		$3,910,000	$6,360,000	$6,160,000	$6,030,000	$22,460,000

Used an estimated $10K per student (GenEd Formula & Levy)

Note: Estimated 12,684 students for FY2024-25 and are now closer to 12,800 students.

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The lasting impacts of the Pandemic & the crucial impact Cost Containment played



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The lasting impacts of the Pandemic & the crucial impact Cost Containment played

Wayzata Public Schools - Cost Containment	
Data from district website	
School Fiscal Year	**Estimated Cost Containment Amount**
FY2022-23	$5,241,020.00
FY2023-24	$3,152,848.00
FY 2024-25	$2,610,796.00
Estimated Cost Containment Effort:	**$11,004,664.00**

As a reminder that the amounts above were target/estimated amounts that will obviously vary for a variety of reasons
District website: *https://www.wayzataschools.org/district/finance-operations/cost-containment*

- The Cost Containment planning, implementation, and follow through has allowed the district to slowly get back on its feet after the devastating financial impact the pandemic had on Wayzata Public Schools as shown in previous slides.
- The district has returned to experiencing student growth at pre-pandemic levels which has helped rebound from the financial devastation caused by the enrollment fluctuation from the pandemic.
- Although unpopular and very difficult, by the district and board addressing the financial impact of the pandemic early on, it has put the district in a position to recover and prevented the cuts from being larger.
- Returning to growing enrollment, and even over forecast in the current fiscal year, has helped the recovery as well and helped prevent deeper cost containment.

WAYZATA PUBLIC SCHOOLS

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FY2024-25
Preliminary Budgets

Government Fund Structure

General Fund

Used to account for the general operations of the school district. This fund includes salaries and benefits for teachers, principals, custodians, secretaries, paraprofessionals, and administrators; cost of supplies, textbooks, transportation contracts, utilities, repairs, and equipment. This fund is also used for long-term facility maintenance projects of less than $2,000,000 and for the capital projects (technology) levy.

Food Service Fund

Used for all expenditures related to operating Wayzata Cafés, including food, salaries, benefits, supplies, and equipment. Food Service revenues typically come primarily from the sale of meals to students and adults. This year, the Minnesota Legislature enacted free meals for all students. State aid now provides a greater portion of revenue.

Community Services Fund

Used for expenditures related to community education programs such as Early Childhood Family Education, Adult Basic Education, Wayzata Kids (afterschool and summer childcare programs), youth classes and Community Ed programs.

Community Services revenue primarily comes from fees charged for the programs and property tax revenue dedicated to community services.

Building Construction Fund

Used for expenditures of major building projects. Proceeds from the sale of bonds authorized in an election are placed in this fund. This fund is also used for long-term facility maintenance projects exceeding $2,000,000.

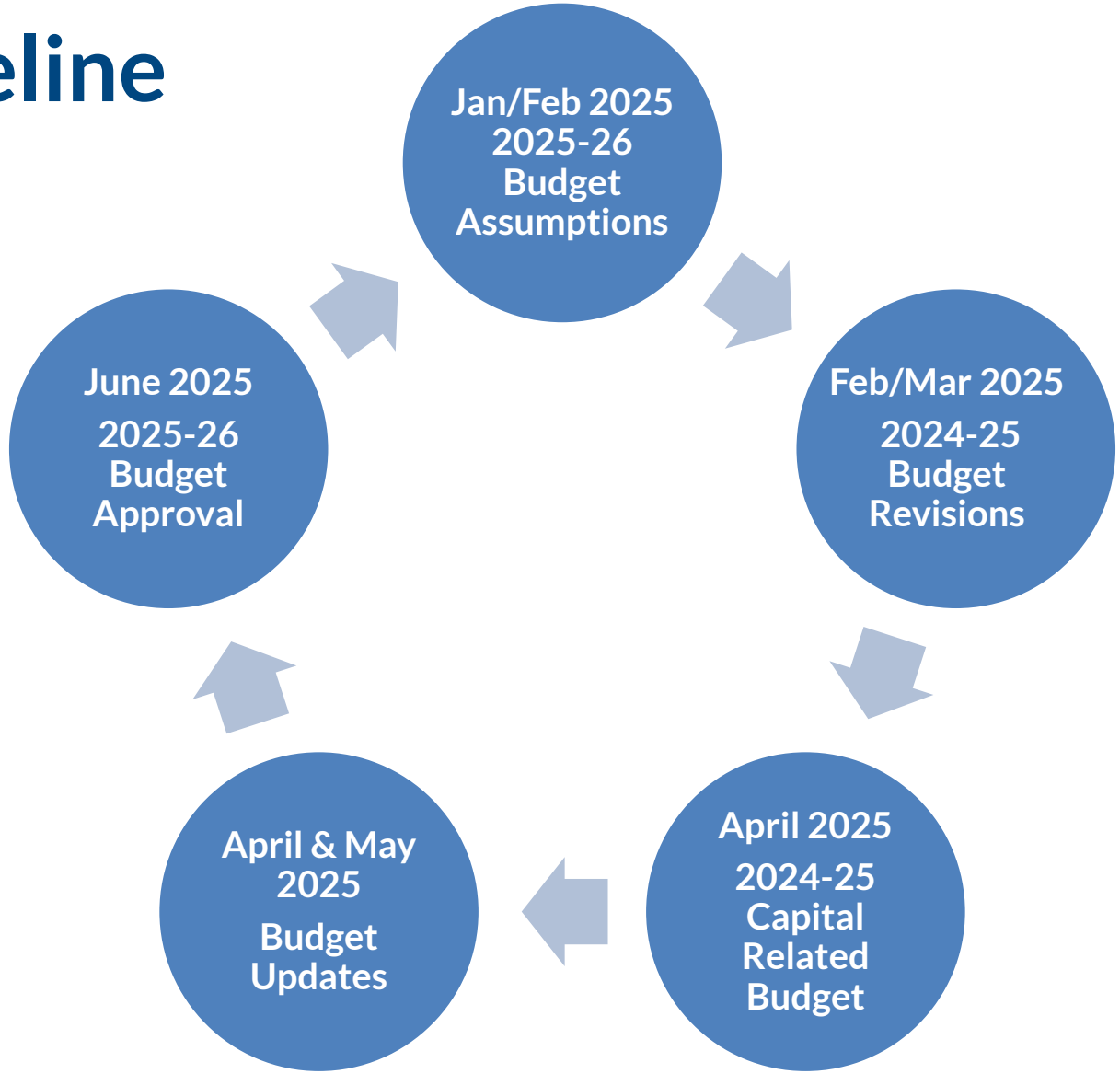
Debt Service Fund

Used to accumulate and account for resources that fund principal and interest payments on bonds sold to finance construction. These are akin to a homeowner's payments on a mortgage.

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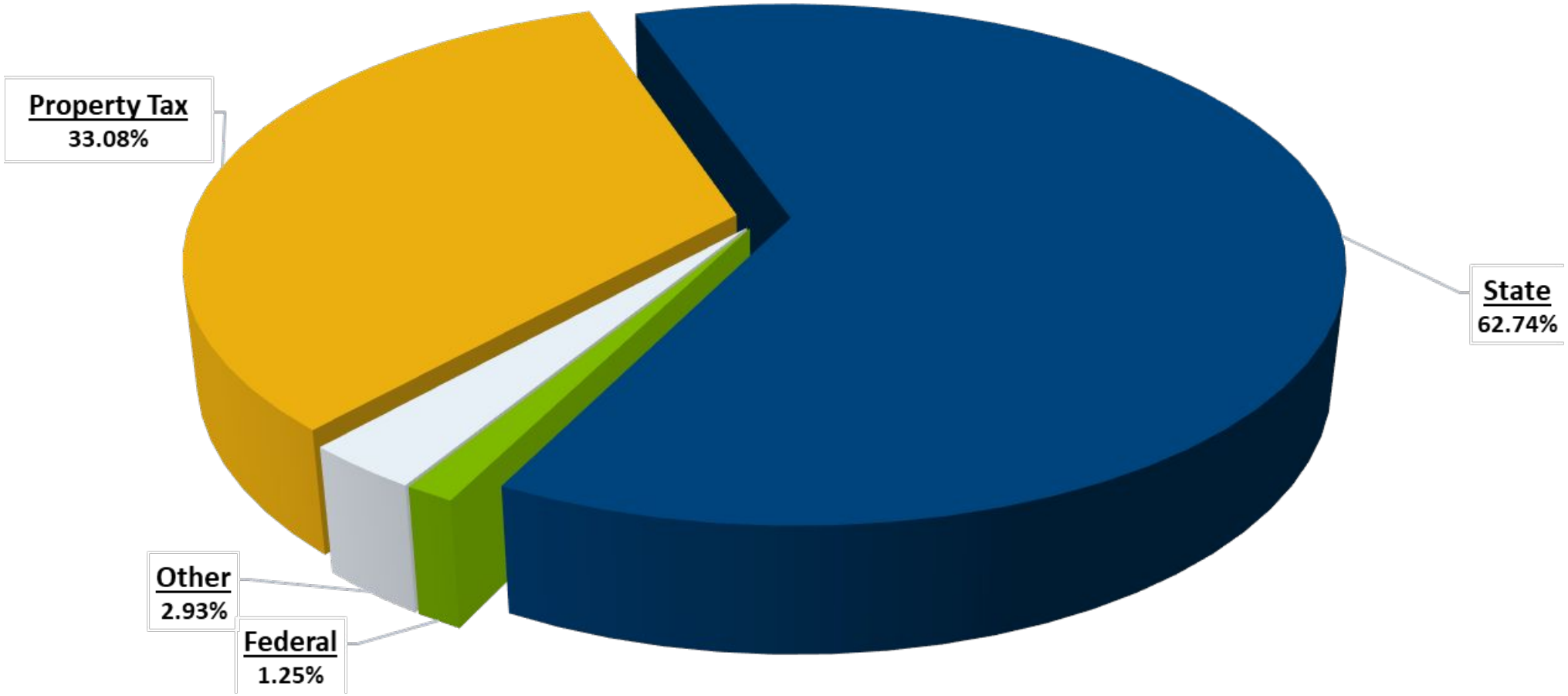
= Budgets that are impacted by the levy

Budget Timeline

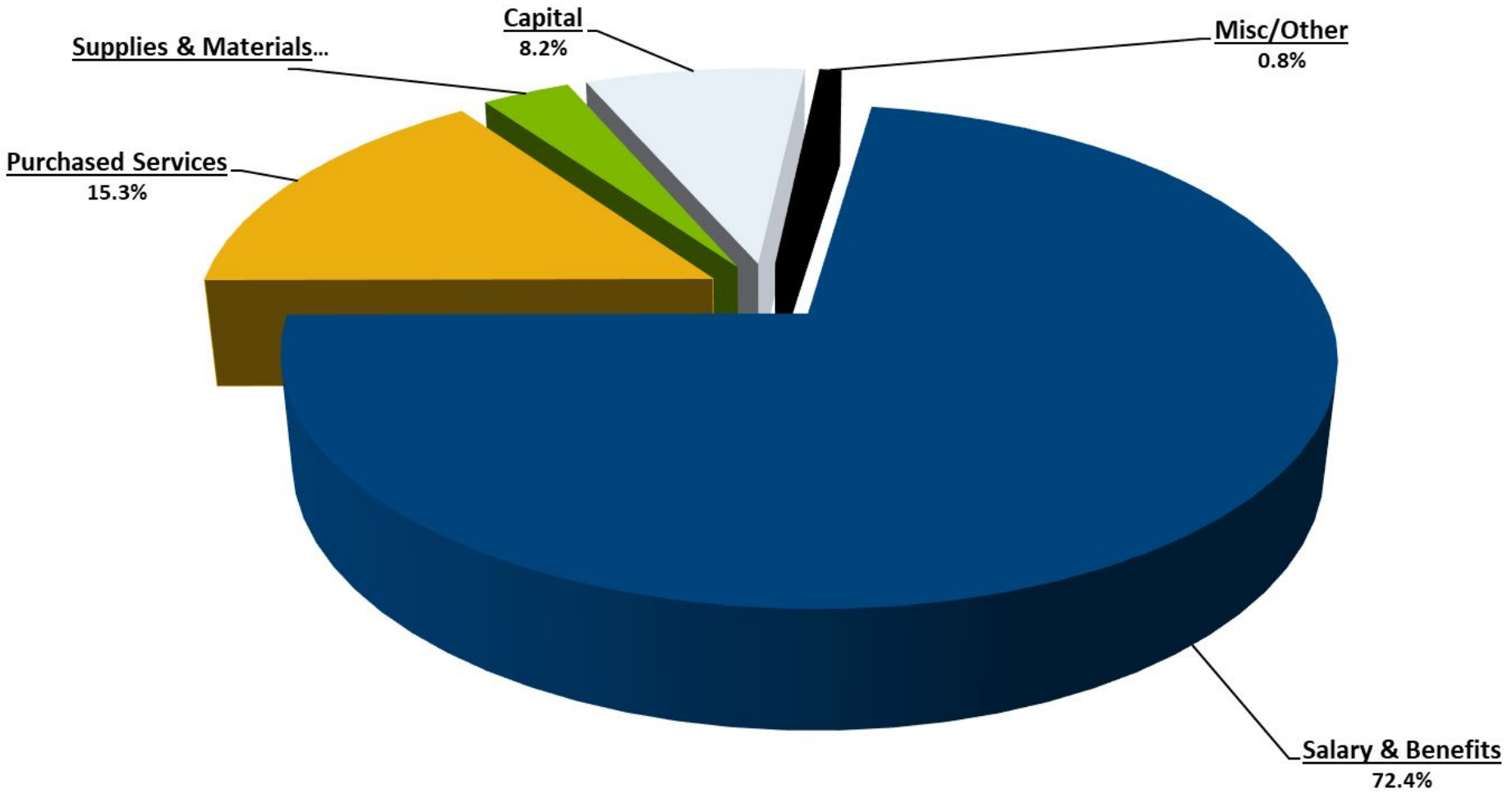


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General Fund – Source of Revenue 2024-25



General Fund – Expenses 2024-25



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2024-25 Preliminary Budgets (All Funds)		
	2024-25 Preliminary Budget	**% of District Budget**
Revenue		
General Fund (Fund 01)	$217,414,163	83.53%
Wayzata Cafes (Fund 02)	$9,659,332	3.71%
Community Ed (Fund 04)	$15,162,372	5.83%
Construction (Fund 06)	$291,000	0.11%
Debt Service (Fund 07)	$17,741,354	6.82%
Total Revenues	**$260,268,221**	**100.00%**
Expenditures		
General Fund (Fund 01)	$220,277,700	82.53%
Wayzata Cafes (Fund 02)	$9,576,910	3.59%
Community Ed (Fund 04)	$15,043,565	5.64%
Construction (Fund 06)	$4,500,000	1.69%
Debt Service (Fund 07)	$17,511,400	6.56%
Total Expenditures	**$266,909,575**	**100.00%**
Revenue over Expenditures:	**-$6,641,354**	

** General Fund (Fund 01) includes negative $5.4M adjustment*

** Construction (Fund 06) is a planned spend down of the Abatement Bonds*

WAYZATA PUBLIC SCHOOLS

FY2024-25 General Fund Budget (Fund 01)

All areas included (*LTFM Adjustment*)

General Fund Information:
The General Fund contains all revenue and expenses for the general, day-to-day operations of the school district. This includes salaries and benefits for teachers, administrators, custodians, administrative professionals, and para-professionals; instructional supplies, technology, transportation, textbooks, and money spent to operate and repair district buildings. In some ways, it is clearer to express the General Fund in terms of what it does not cover. The General Fund does not cover Wayzata Cafés; Community Services; debt service payments on bonds issued by the District; and the cost of major construction projects financed through the issuance of bonds.

The General Fund includes expenses associated with the capital projects (technology) levy. The focus of this program is curriculum and classroom technology, particularly expansion of classroom tools: projection and sound systems, smartboards, and software. The General Fund also includes expenses funded with the Long-Term Facility Maintenance (LTFM) levy for projects less than $2.0 million. Projects over $2 million are recorded in the Building Construction Funds. It is important to note that LTFM expenditures can fluctuate considerably from year to year and can impact the overall view of the District's funding picture.
The level of spending is set with a number of considerations in mind, but one of the primary considerations is to maintain an adequate level of reserves for unanticipated events. The District has a formal policy calling for an unassigned fund balance in the General Fund equal to at least 5% to 7% of one year's expenditures. This balance could be considered to be the District's "savings account."

Maintaining a prudent fund balance is important for the stability of the district, and is a key measure that bond rating agencies examine when assigning a credit rating to a district's debt issuances. The projected unassigned General Fund balance as of June 30, 2024 is projected to be about $16M. This is roughly 7.7% of the FY24 expenditure budget, or about four weeks of operations. Unanticipated events that could occur that would require the District to dip into its unassigned fund balance include:

- Property tax delinquencies and abatements
- Enrollment fluctuations
- Unanticipated price increases for essential purchases, e.g. fuel for heating, other utilities, transportation
- State aid revenue reductions
- COVID-19 pandemic
- Federal sequestration
- Unforeseen public health emergencies or severe weather/natural disaster

2024-25 Preliminary Budget (LFTM included)		
	2024-25 Preliminary Budget	**% of District Budget**
Revenue		
Local Property Taxes	$71,929,683	33.08%
State Aid	$136,405,457	62.74%
Federal Aid	$2,714,699	1.25%
Other Local Revenues	$6,364,324	2.93%
Total Revenues	**$217,414,163**	**100.00%**
Expenditures		
Salaries and Benefits	$159,537,954	72.43%
Purchased Services	$33,671,289	15.29%
Supplies and Materials	$7,245,743	3.29%
Capital	$18,020,738	8.18%
Misc./Other	$1,801,976	0.82%
Total Expenditures	**$220,277,700**	**100.00%**
Revenue over Expenditures:	**-$2,863,537**	

** The projected expenditure over revenue amount includes a negative LTFM adjustment of $5,430,026. This doesn't accurately portray a true picture of the district operations. The next slide provides a more accurate picture of the operations.

FY2024-25 General Fund Budget (Fund 01)

2024-25 Preliminary Budget (Excluding LTFM)		
	2024-25 Preliminary Budget	**% of district budget**
Revenue		%
Local Property Taxes	$63,413,482	30.36%
State Aid	$136,405,457	65.30%
Federal Aid	$2,714,699	1.30%
Other Local Revenues	$6,364,324	3.05%
Total Revenues	**$208,897,962**	**100.00%**
Expenditures		
Salaries and Benefits	$159,387,147	77.30%
Purchased Services	$28,173,289	13.66%
Supplies and Materials	$7,209,393	3.50%
Capital	$9,626,666	4.67%
Misc./Other	$1,796,976	0.87%
Total Expenditures	**$206,193,471**	**100.00%**
Revenue over Expenditures:	**$2,704,491**	

***** This excludes LTFM (PayGo levy) and LTFM levy adjustment to show a more realistic view of the FY2024-25 Preliminary Budget***

Components of the FY2024-25 Budget:

This accounts for all Fund Balance categories (excludes LTFM)

- Restricted
- Nonspendable
- Assigned
- Unassigned

Key Budget Assumptions & Factors Considered

- Enrollment
  - Projecting enrollment at 12,684.
  - Up 276 students from PFY.
- Revenues
  - Gen Ed Formula back to 2% for FY2024-25 at $7,281.
- Expenditures:
  - Salaries & Benefits
    - Salaries per contract or board parameters
    - Medical Insurance increase of 7%
  - Transportation increase of 6%
  - Utilities increase of 5%
  - LTFM projects based on 10 year plan
  - Special Education cost increases
- COVID Related dollars
  - Ending by 9/30/2024

This includes, but not limited to, new funding from the May 2023 legislative session & other legislative actions:

- Library Aid
- Addt'l English Learner Aid
- READ Act
- Literacy Incentive Aid (Changed statute)
- Increase to Indian Education Aid
- Special Education Cross Subsidy continues
- Student Support Aid

FY2024-25 General Fund Budget (Fund 01)

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The district is expected to increase the Unassigned Fund Balance by $2.7M for FY2024-25. This will be key in continuing to come out of Cost Containment, staying ahead of expenditures outpacing revenues, and creating a sustainable financial situation for the district.

Important items to point out on projected $2.7M Revenue over Expenditures:

- As you recall from an earlier slide, our projected increase of 276 student will bring in a estimated additional $2.76M when factoring in formula aid and levy aid. This is right at what we are projecting for Revenues over Expenditures. If this student projection doesn't come to fruition, this changes the budget projection significantly.
- The $2.6M cost containment for FY2024-25 is instrumental in the whole process to help get us back on solid ground from the devastating financial impact of the pandemic. Although we are showing $2.7M, if we add back additional staffing or use part of the projected amount before we see the students arrive, it will put us back into a perpetual cost containment situation. The costs continue to compound on an annual basis. If we add $1M or $1.5M back, that amount then adds to the expenditures and outpaces the revenues immediately and compounds annually at a higher rate than our revenues. We also are back to 2% for FY2024-25 on the formula and then back to a max of 3% into future years.
- The district will be continually monitoring the enrollment changes and will deploy hotspot teachers as determined by district staff working in collaboration with principals.

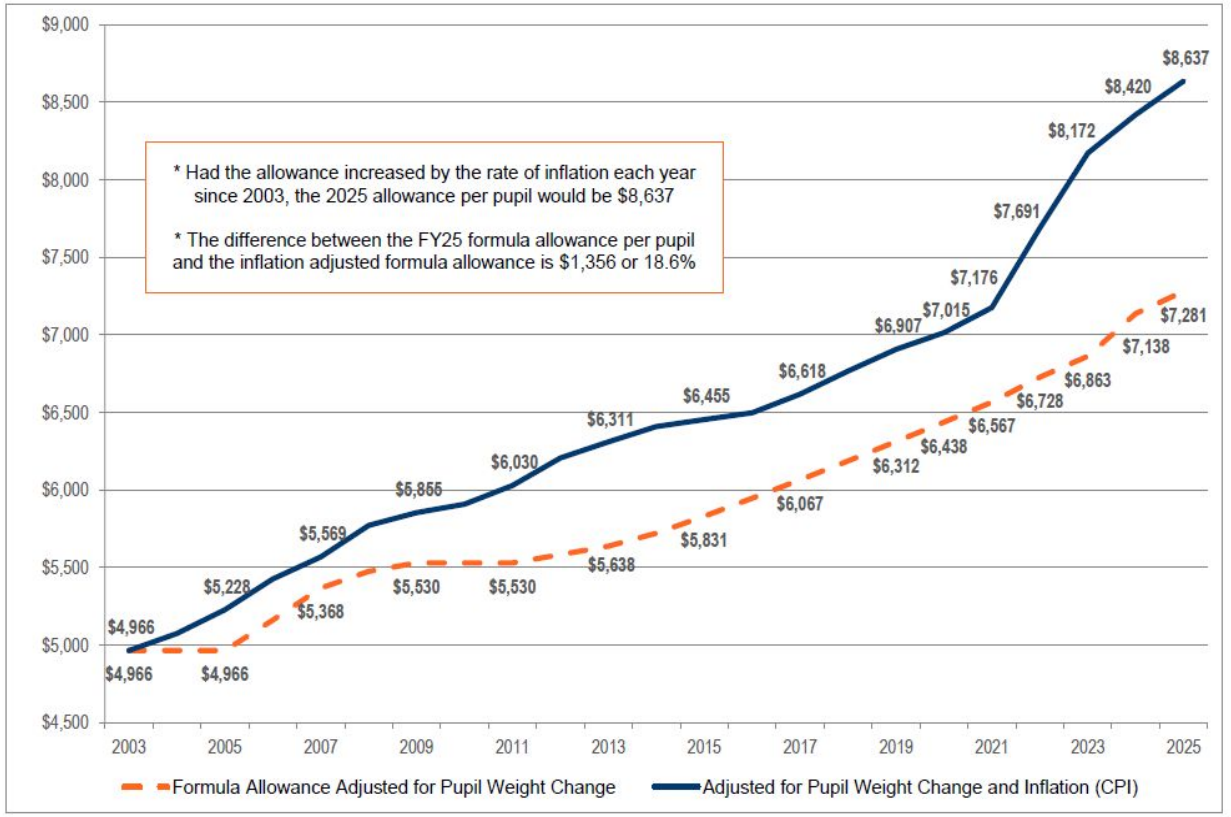
Key reasons why the district is rebounding from the devastating impacts due to the Pandemic:

- Cost Containment: Addressed very quickly and ahead of most other districts
- Student growth returning to pre-pandemic levels
- Special Education Cross-Subsidy increase
- One-time GenEd Formula at 4% helped but now back to 2%
- Long-term fiscal/budget planning knowing ***several variables can quickly change the current projections and situation***:
  - Student growth slows or stops
  - Negotiations with staff (Salary & Benefit costs)
  - Special Education cost increases despite new Cross-Subsidy Aid
  - Referendum(s) failing
  - Tech Levy failing
  - Expenditures continuing to outpace Revenues
  - Continued challenges of the GenEd Formula not keeping pace with inflation

Areas/items/concerns that impact and will continue to impact the long-term fiscal health of the district

Variables/things that could quickly change the current projections & situation:

- Balancing the current needs of the district and community while keeping the long-fiscal sustainability of the district in mind
- Adding back expenditures without consideration and understanding of the long-term fiscal impacts
- Closely monitoring student enrollment and planning/adjusting accordingly
  - Currently in the process of a new study
- Continued challenges of the per pupil Formula Allowance not keeping pace with inflation
  - Expenditures outpacing Revenues
  - GenEd Formula not keeping pace with inflation
  - Continued Unfunded Mandates
    - Still waiting to see the true impacts of the Summer Unemployment
- Current and future staff negotiations
  - We are a service oriented organization so 70+% of our costs are Salaries and Benefits
- Changes in legislation



Source: MDE June 2023 Inflation Estimates and Minnesota Laws 2023

WAYZATA PUBLIC SCHOOLS

Payable 2025 Tax Levy Information

Change in Tax Levy does not Determine Change in Budget



Tax levy is based on many state-determined formulas plus voter approved referendums



Some increases in tax levies are revenue neutral, offset by reductions in state aid



Expenditure budget is limited by state-set revenue formulas, voter-approved levies & fund balance



An increase in school taxes does not always correlate to an equal increase in budget

Levy Development

General Levy

- Student enrollment
- Voter approved operating referendum
- Voter approved capital project referendum
- Facilities

Community Service

- Based on population:
  - Adults
  - Children <5 years

Debt Service

- Levy to pay bond principal & interest
  - Voter approved
  - Alternative Facility

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Difference in Levy Cycles



School District:

- Budget year begins July 1st
- 2025 taxes provide revenue for 2025-26 fiscal year
- Budget adopted in June 2025



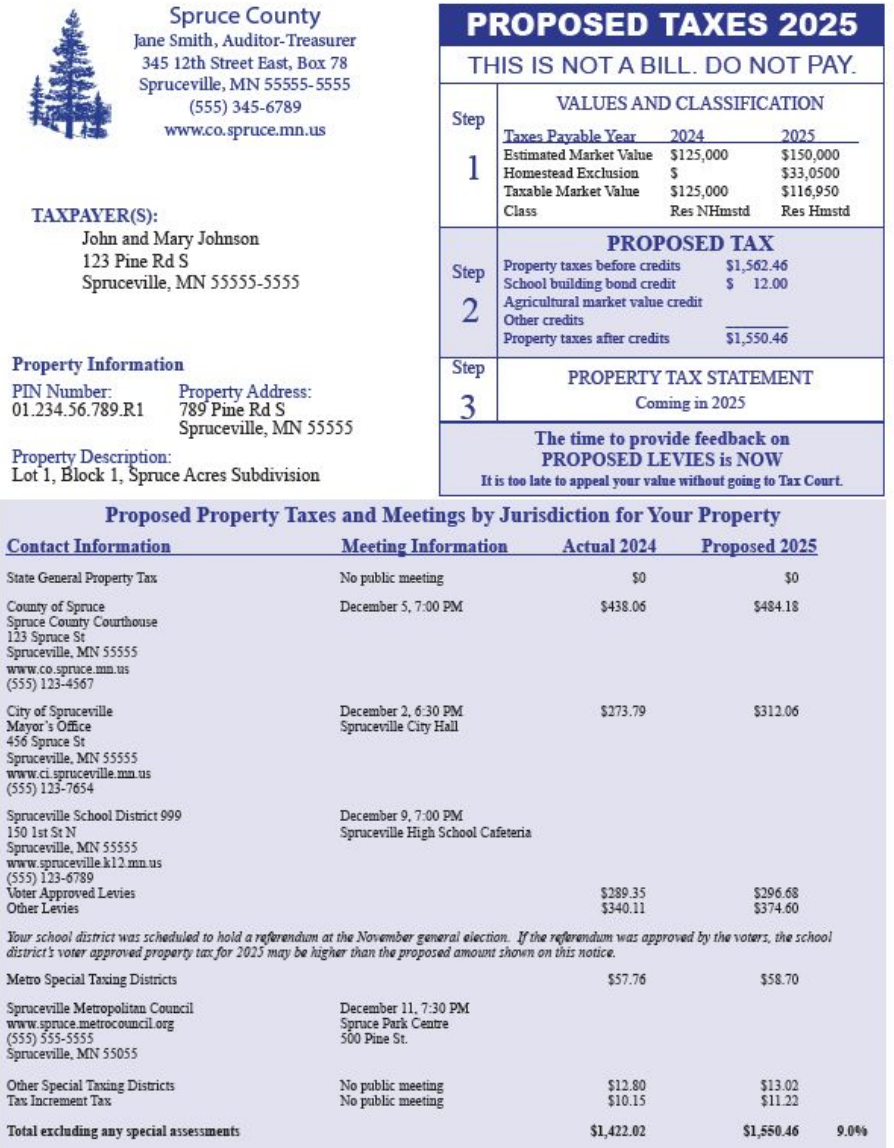
City/County:

- Budget year begins January 1st
- 2025 taxes provide revenue for 2025 calendar year budget

Sample of parcel specific notice mailed to every property owner between November 10th – 25th

Property Tax Background:

- Every owner of taxable property pays property taxes to various “taxing jurisdictions” (county, city/township, school district, special districts) in which property is located
- Each taxing jurisdiction sets own tax levy, often based on limits in state law
- County sends bills, collects taxes from property owners & distributes funds back to other taxing jurisdictions



Spruce County
Jane Smith, Auditor-Treasurer
345 12th Street East, Box 78
Spruceville, MN 55555-5555
(555) 345-6789
www.co.spruce.mn.us

PROPOSED TAXES 2025

THIS IS NOT A BILL. DO NOT PAY.

Step 1 — VALUES AND CLASSIFICATION

Taxes Payable Year	2024	2025
Estimated Market Value	$125,000	$150,000
Homestead Exclusion	$	$33,0500
Taxable Market Value	$125,000	$116,950
Class	Res NHmstd	Res Hmstd

Step 2 — PROPOSED TAX

Property taxes before credits	$1,562.46
School building bond credit	$ 12.00
Agricultural market value credit	
Other credits	
Property taxes after credits	$1,550.46

Step 3 — PROPERTY TAX STATEMENT
Coming in 2025

The time to provide feedback on PROPOSED LEVIES is NOW
It is too late to appeal your value without going to Tax Court.

TAXPAYER(S):
John and Mary Johnson
123 Pine Rd S
Spruceville, MN 55555-5555

Property Information
PIN Number: 01.234.56.789.R1
Property Address: 789 Pine Rd S, Spruceville, MN 55555
Property Description: Lot 1, Block 1, Spruce Acres Subdivision

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

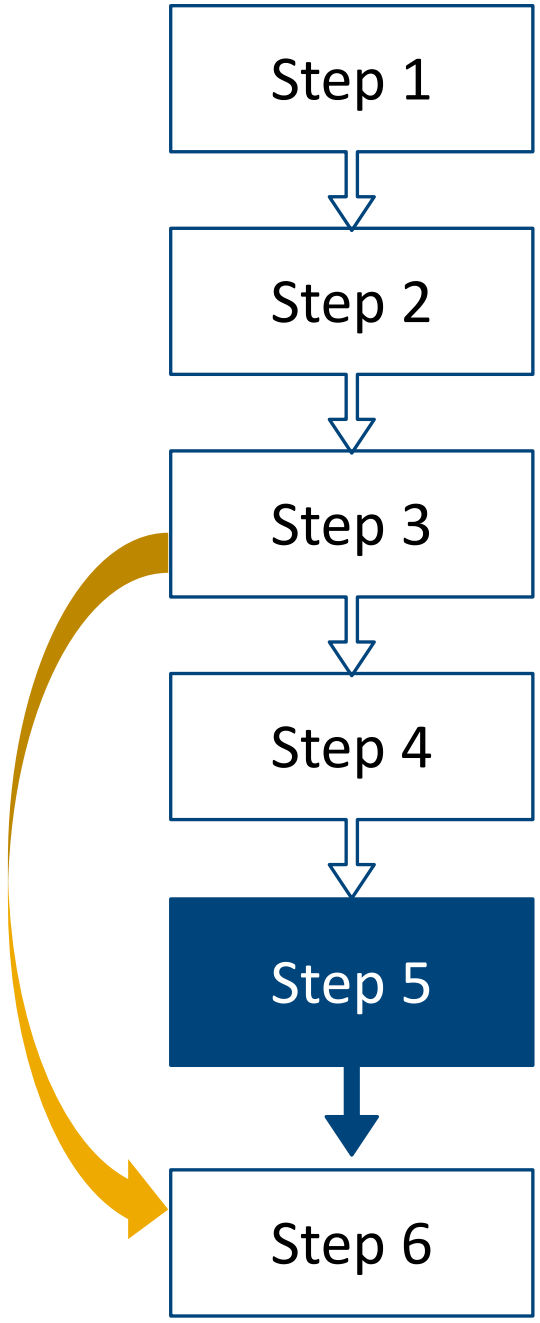
Contact Information	Meeting Information	Actual 2024	Proposed 2025	
State General Property Tax	No public meeting	$0	$0	
County of Spruce Spruce County Courthouse 123 Spruce St Spruceville, MN 55555 www.co.spruce.mn.us (555) 123-4567	December 5, 7:00 PM	$438.06	$484.18	
City of Spruceville Mayor’s Office 456 Spruce St Spruceville, MN 55555 www.ci.spruceville.mn.us (555) 123-7654	December 2, 6:30 PM Spruceville City Hall	$273.79	$312.06	
Spruceville School District 999 150 1st St N Spruceville, MN 55555 www.spruceville.k12.mn.us (555) 123-6789	December 9, 7:00 PM Spruceville High School Cafeteria			
Voter Approved Levies		$289.35	$296.68	
Other Levies		$340.11	$374.60	
Your school district was scheduled to hold a referendum at the November general election. If the referendum was approved by the voters, the school district’s voter approved property tax for 2025 may be higher than the proposed amount shown on this notice.				
Metro Special Taxing Districts		$57.76	$58.70	
Spruceville Metropolitan Council www.spruce.metrocouncil.org (555) 555-5555 Spruceville, MN 55055	December 11, 7:30 PM Spruce Park Centre 500 Pine St.			
Other Special Taxing Districts	No public meeting	$12.80	$13.02	
Tax Increment Tax	No public meeting	$10.15	$11.22	
Total excluding any special assessments		**$1,422.02**	**$1,550.46**	**9.0%**

School District Property Taxes

- Each school district has limited authority to levy taxes
- MDE calculates levy amounts for various categories, set by:
  - State law
  - Voter approval

School District Property Tax Process

Note: For certain levy categories, tax rates & levy amounts are based on referendum market value, rather than tax capacity.



City or County Assessor determines estimated market value for each parcel of property.

Legislature sets formulas for tax capacity and school district levy limits.

County Auditor calculates tax capacity for each parcel of property, as well as total tax capacity for each school district.

Minnesota Department of Education calculates detailed levy limits for each school district, based on formulas approved by Legislature.

School Board sets levy and is only one step in the process.

County Auditor divides final levy by district's total tax capacity to determine tax rate needed to raise levy amount.

Approval of District's Tax Levy in 2024 (Payable 2025)





Overview of District's Proposed Tax Levy

- Proposed Payable 2025 tax levy is an increase from 2024 of $3,937,463 or 4.3%
- Changes by levy category and reasons for major increases & decreases in levy are included on following slides

WAYZATA PUBLIC SCHOOLS

Final Proposed Payable 2025 Levy

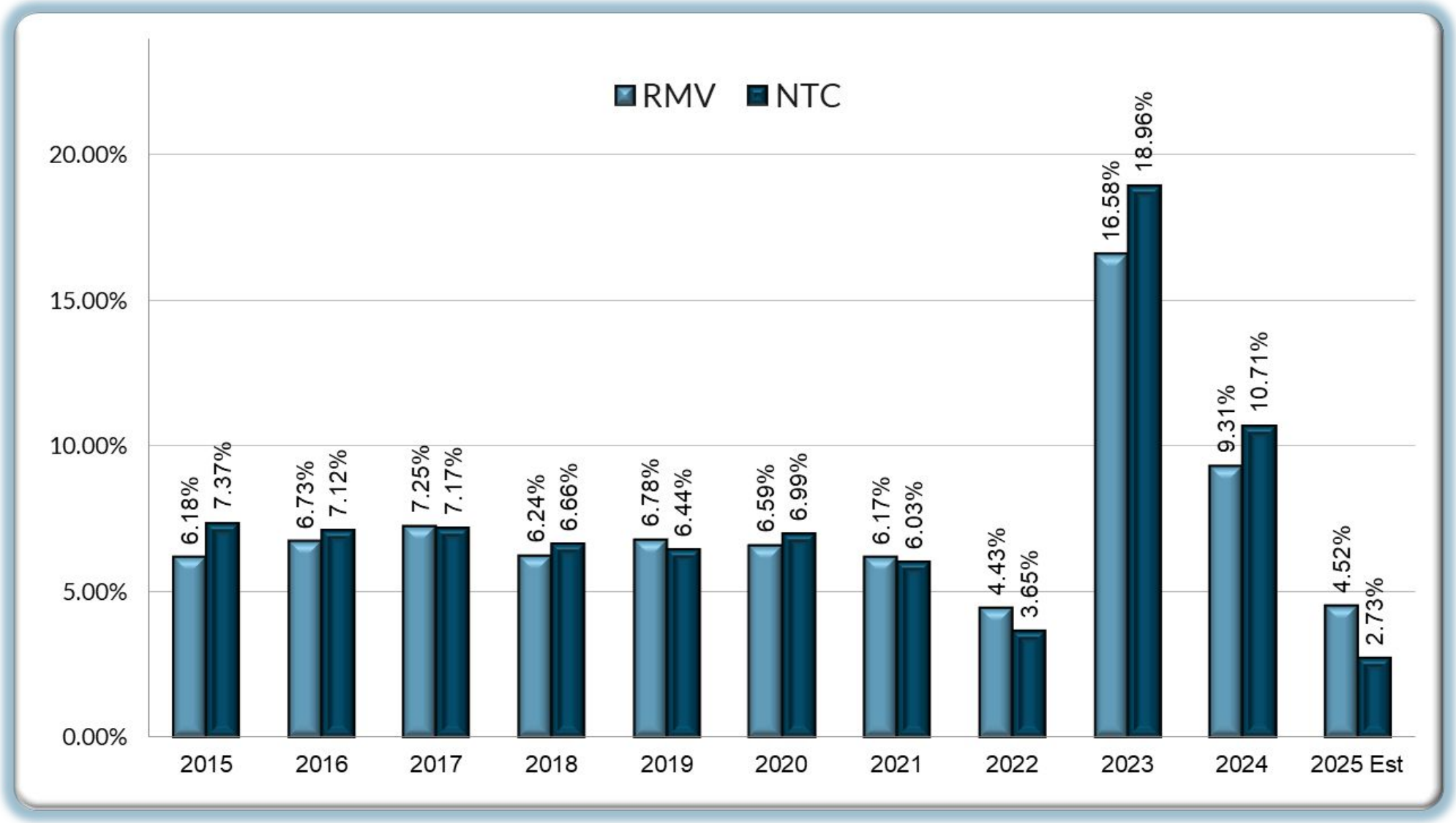
2025 Proposed Levy:
$96,322,943

2024 Certified Levy:
$ 92,385,480

Change:
$3,937,463
or 4.3%
Net Tax Capacity increased by 2.73%

WAYZATA PUBLIC SCHOOLS

Changes in Referendum Market Value (RMV) & Net Tax Capacity (NTC)



WAYZATA PUBLIC SCHOOLS

ISD #284 Payable 2025 Tax Levy

Fund	2025 Proposed Levy	2024 Certified Levy	Change ($)	Change (%)
General	$75,487,101	$72,629,684	$2,857,417	3.93%
Community Service	2,118,627	2,023,442	$95,185	4.70%
Debt Service	18,717,215	17,732,354	$984,861	5.55%
Total	**$96,322,943**	**$92,385,480**	**$3,937,463**	**4.26%**

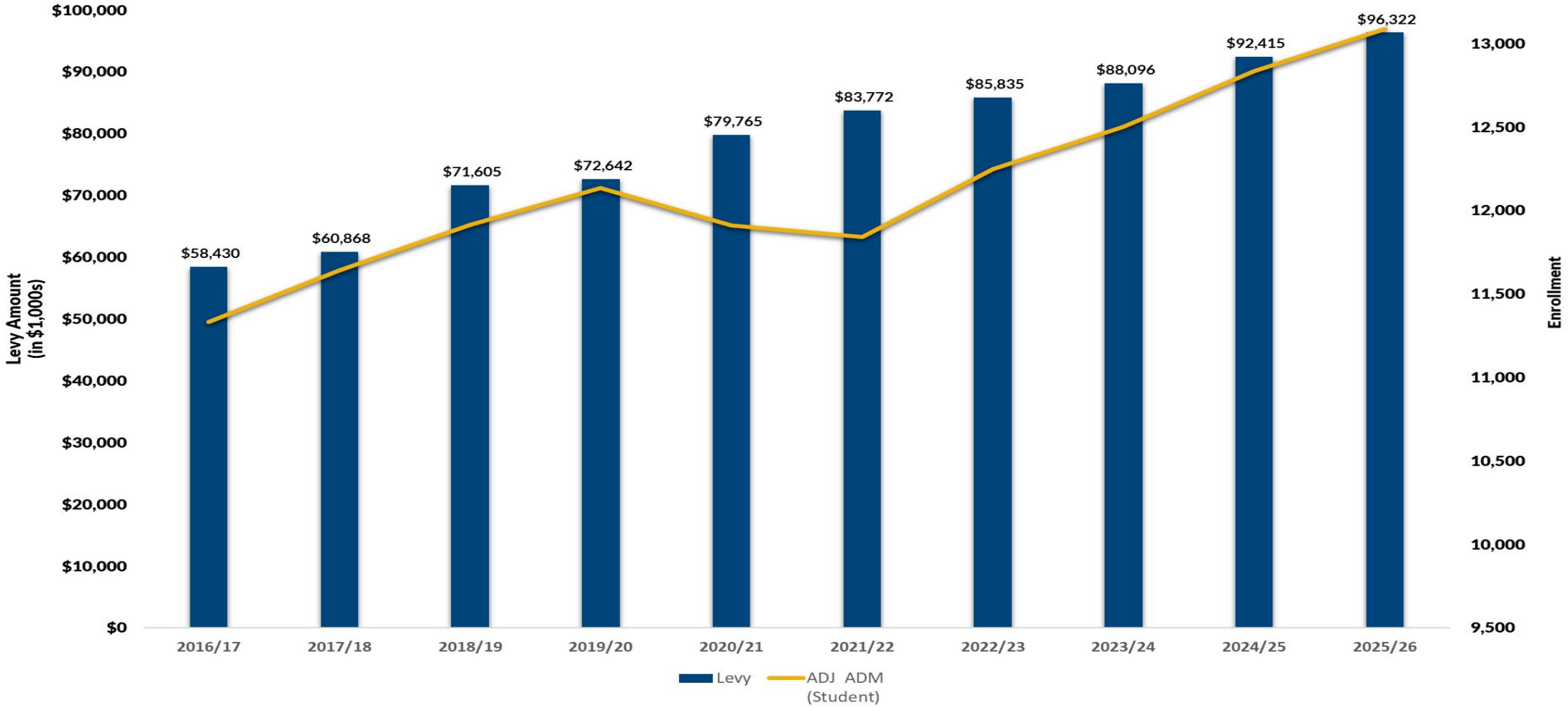
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Comparison of Actual Tax Levy Payable in 2024 to Proposed Levy Payable in 2025

Fund Levy Category	Actual Levy Payable in 2024	Proposed Levy Payable in 2025	$ Change	% Change
General				
Voter Approved Operating Referendum	$30,686,517	$31,899,449	$1,212,932	
Local Optional Revenue (LOR)	10,239,480	10,346,632	107,152	
Equity	709,200	1,013,093	303,893	
Voter Approved Capital Project Levy	10,934,348	12,105,615	1,171,268	
Operating Capital	2,260,730	2,588,736	328,006	
Alternate Teacher Compensation	1,152,788	1,179,476	26,688	
Achievement and Integration	611,829	762,165	150,336	
Long Term Facilities Maintenance (LTFM)	13,946,228	15,391,778	1,445,550	
Lease Levy	3,559,209	3,550,208	(9,001)	
Other	2,293,506	2,231,799	(61,707)	
Prior Year Adjustments	(3,764,150)	(5,581,851)	(1,817,701)	
Total, General Fund	$72,629,684	$75,487,101	$2,857,416	3.9%
Community Service				
Basic Community Education	$583,673	$590,037	$6,364	
Early Childhood Family Education	466,567	531,219	64,652	
School-Age Child Care	975,000	985,000	10,000	
Other	26,689	27,584	895	
Prior Year Adjustments	(28,487)	(15,213)	13,275	
Total, Community Service Fund	$2,023,442	$2,118,627	$95,185	4.7%
Debt Service				
Voter Approved	$15,372,771	$16,309,608	$936,837	
Other	656,415	653,475	(2,940)	
Long Term Facility Maintenance (LTFM)	2,354,741	2,366,553	11,812	
Other Post Employment Benefits (OPEB)	0	0	0	
Reduction for Debt Excess	(764,200)	(709,973)	54,227	
Prior Year Adjustments	112,627	97,553	(15,074)	
Total, Debt Service Fund	$17,732,354	$18,717,215	$984,862	5.6%
Total Levy, All Funds	**$92,385,480**	**$96,322,943**	**$3,937,463**	**4.3%**
Subtotal by Truth in Taxation Categories:				
Voter Approved	58,978,662	60,451,463	1,472,801	
Other	33,406,818	35,871,480	2,464,662	
Total	**$92,385,480**	**$96,322,943**	**$3,937,463**	**4.3%**

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YEAR	Pay 19	Pay 20	Pay 21	Pay 22	Pay 23	Pay 24	Pay 25
Total of all levies by year ($)	72,641,788.64	79,764,941.22	83,771,787.11	85,835,161.74	88,096,119.19	92,385,479.85	96,322,942.99
YOY Increase (%)		9.81%	5.02%	2.46%	2.63%	4.87%	4.26%
						Average	4.84%

Explanation of Levy Changes

Category:	General Fund - Voter Approved Operating Referendum
Change:	+$1,212,932
Use of Funds:	General Operating Expenses
Reasons for Change:	Voter approved operating referendum authority includes an annual inflationary increase & enrollment is projected to grow

WAYZATA PUBLIC SCHOOLS

Explanation of Levy Changes

Category:	General Fund - Voter Approved Capital Project Levy
Change:	+$1,171,268
Use of Funds:	Technology Costs
Reasons for Change:	Levy is based on voter approved tax rate applied to the district's previous years tax base. The District's tax base increased resulting in an increase in the district's levy.

WAYZATA PUBLIC SCHOOLS

Explanation of Levy Changes

Category:	General Fund - LTFM
Change:	+$1,445,550
Use of Funds:	Facilities Maintenance
Reasons for Change:	District is eligible for LTFM revenue based on state approved project costs & levies are coordinated with other levies to maintain a level or declining tax rate.

WAYZATA PUBLIC SCHOOLS

Explanation of Levy Changes

Category:	General Fund – Prior Year Adjustments
Change:	-$1,817,701
Use of Funds:	Various
Reason for Change:	Initial levies are based on estimates. In later years, amounts are updated and levies are retroactively adjusted.

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Explanation of Levy Changes

Category:	Debt Service – Voter Approved
Change:	+$936,837
Use of Funds:	Annual required payments of principal & interest on bonds
Reasons for Change:	When voter approved bonds were issued, the schedule included a planned increase in principal payments to maintain a level tax rate on debt and capital levies and minimize total interest costs

WAYZATA PUBLIC SCHOOLS

Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause a tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property within District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs & costs, voter-approved referendums & other factors

WAYZATA PUBLIC SCHOOLS

What's happening with each slice?

Higher Market Value Increase = Bigger Slice

Lower Market Value Increase = Smaller Slice





Each Property Owner pays a portion of the pie

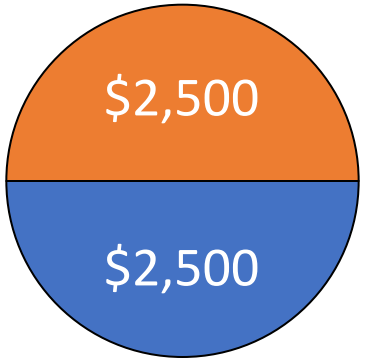
Impact of Property Valuations

Two properties in the district
- Both houses are valued at $650,000

Total levy of $5,000
- Each property will pay $2,500 of levy

$650,000





$650,000



Impact of Property Valuations

Two properties in the district

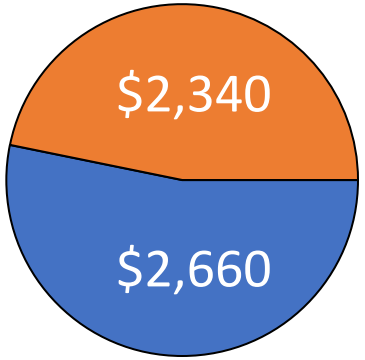
- Orange house value increases by 10%
- Blue house value increases by 25%

Total levy of $5,000

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

$715,000



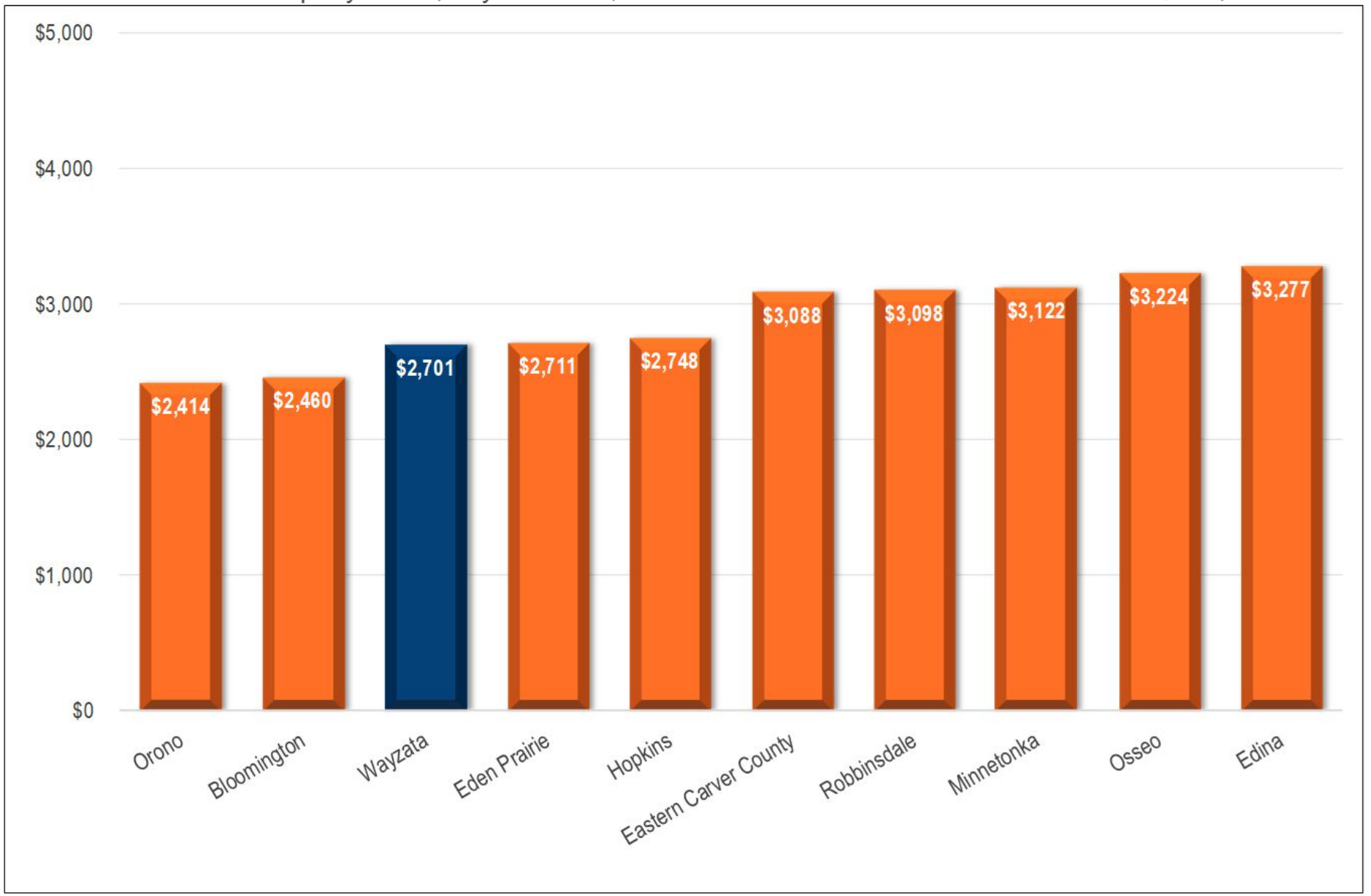


$812,500



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Total School Property Taxes, Payable 2024, on a Home with an Estimated Market Value of $650,000



Source: Pay 2024 School Tax Report

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Minnesota Legislative Changes for Pay 2025

In 2023, The Minnesota State Legislature passed laws that affect property taxes for taxes payable in 2025.

Recap of major changes:

- Provided a tax benefit to homeowners by increasing the homestead exclusion for valuations between $76,000 and $517,000; and
- Increased the first-tier limit for Ag Homestead land to $3.5M from $2.15M

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Four Year School Levy Comparison

- Examples include school district taxes only & are shown based on no change and a 25.4% 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
- Examples are for property in City of Wayzata
- Amounts for 2025 are preliminary estimates; final amounts could change slightly
- Estimates prepared by Ehlers (District's municipal financial advisors)

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	$200,000	$906	$791	$770	$759	-$147	-$11
	500,000	2,407	2,093	2,021	2,043	-364	22
	600,000	2,962	2,571	2,474	2,508	-454	34
	650,000	3,239	2,810	2,701	2,739	-500	38
	700,000	3,516	3,049	2,928	2,969	-547	41
	900,000	4,626	4,006	3,835	3,893	-733	58
	1,000,000	5,180	4,484	4,289	4,354	-826	65
Commercial/ Industrial #	$500,000	$2,577	$2,338	$2,268	$2,279	-$298	$11
	1,000,000	5,287	4,792	4,637	4,661	-626	24
	2,000,000	10,707	9,701	9,374	9,426	-1,281	52
Apartments and Res. Non-Homestead (2 or more units)	$500,000	$2,773	$2,391	$2,268	$2,308	-$465	$40
	1,000,000	5,547	4,782	4,536	4,616	-931	80
	2,000,000	11,093	9,564	9,072	9,231	-1,862	159

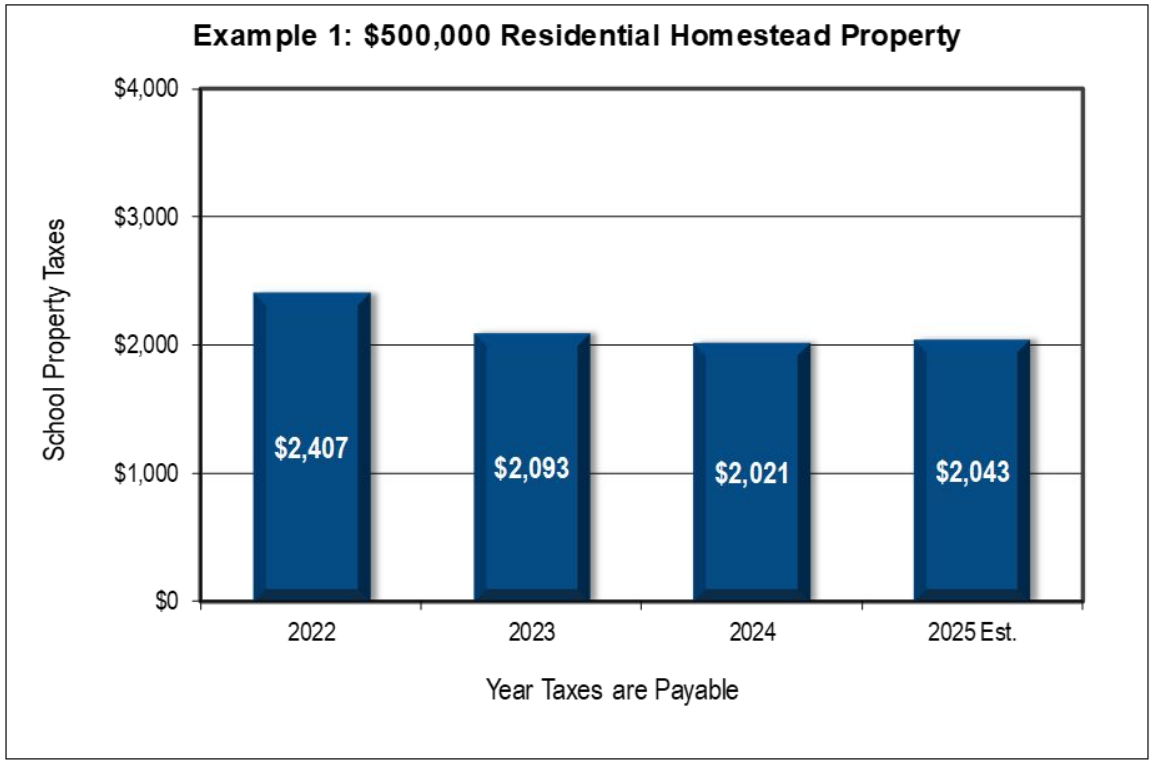
For commercial-industrial property, amounts above are for property in Wayzata. Taxes for commercial-industrial property in other municipalities may be slightly different, due to the impact of the Fiscal Disparities Program.

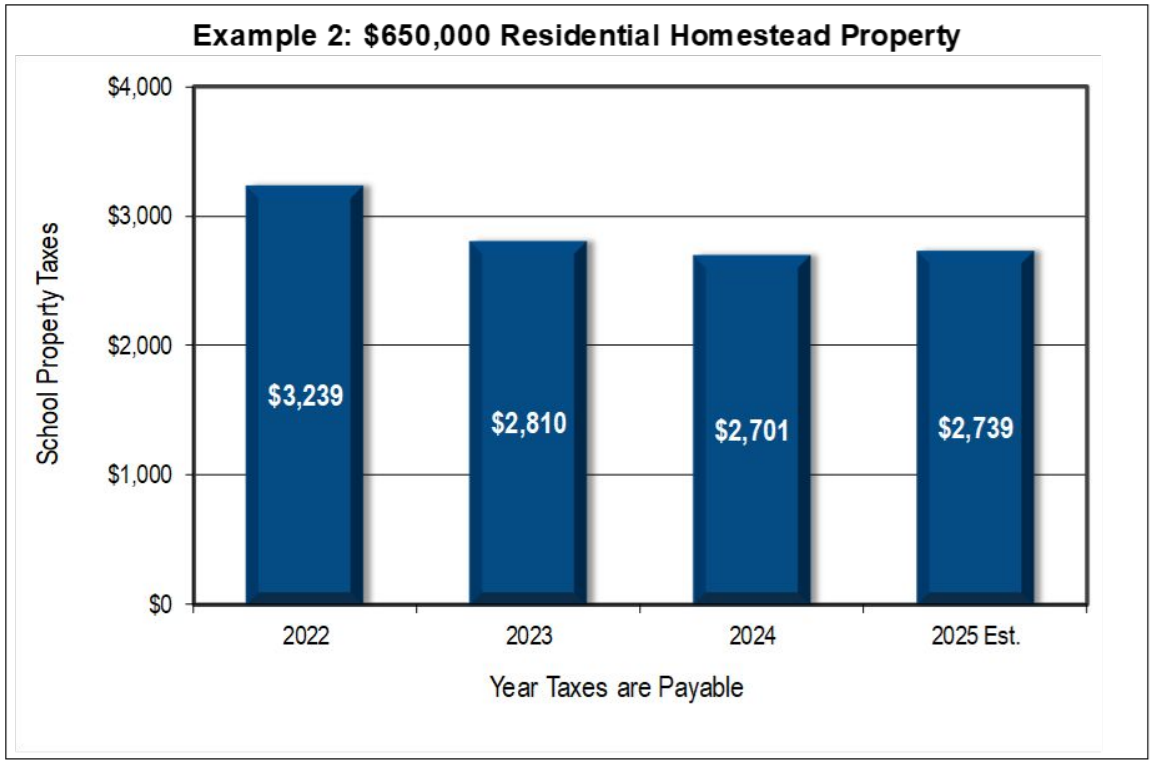
General Notes

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.

Estimated Changes in School Property Taxes, 2022-25

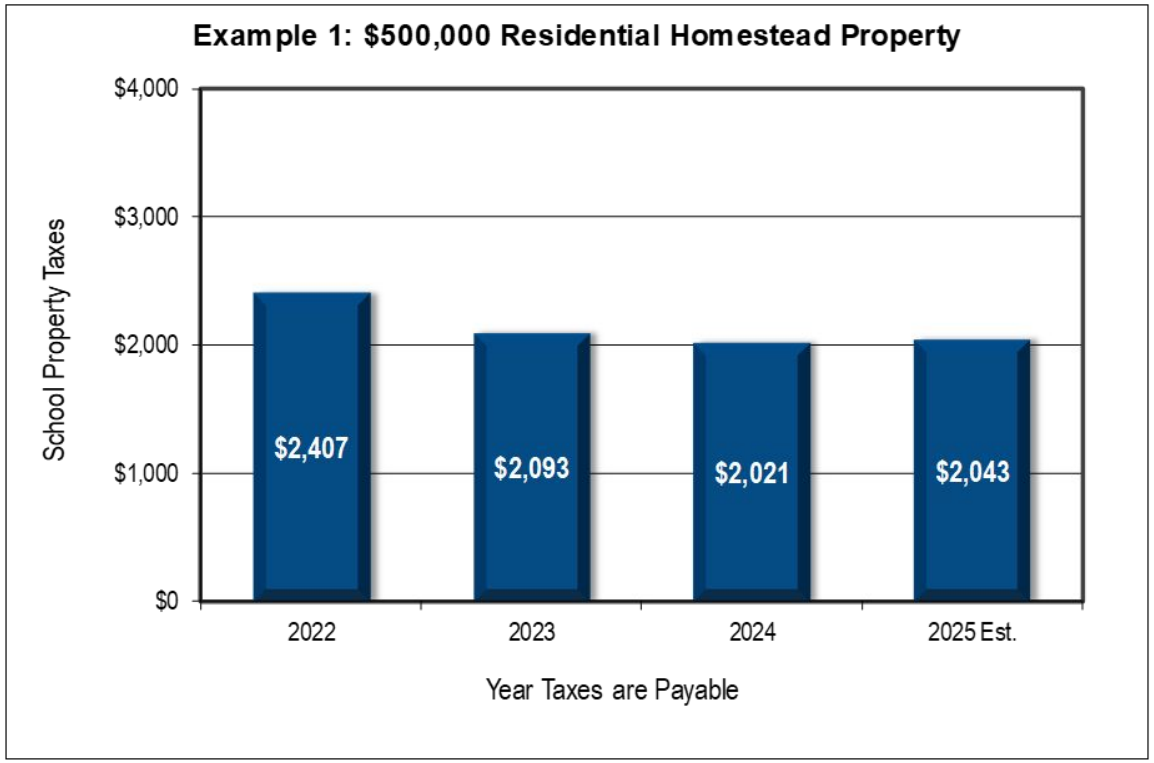
Based on No Changes in Property Value

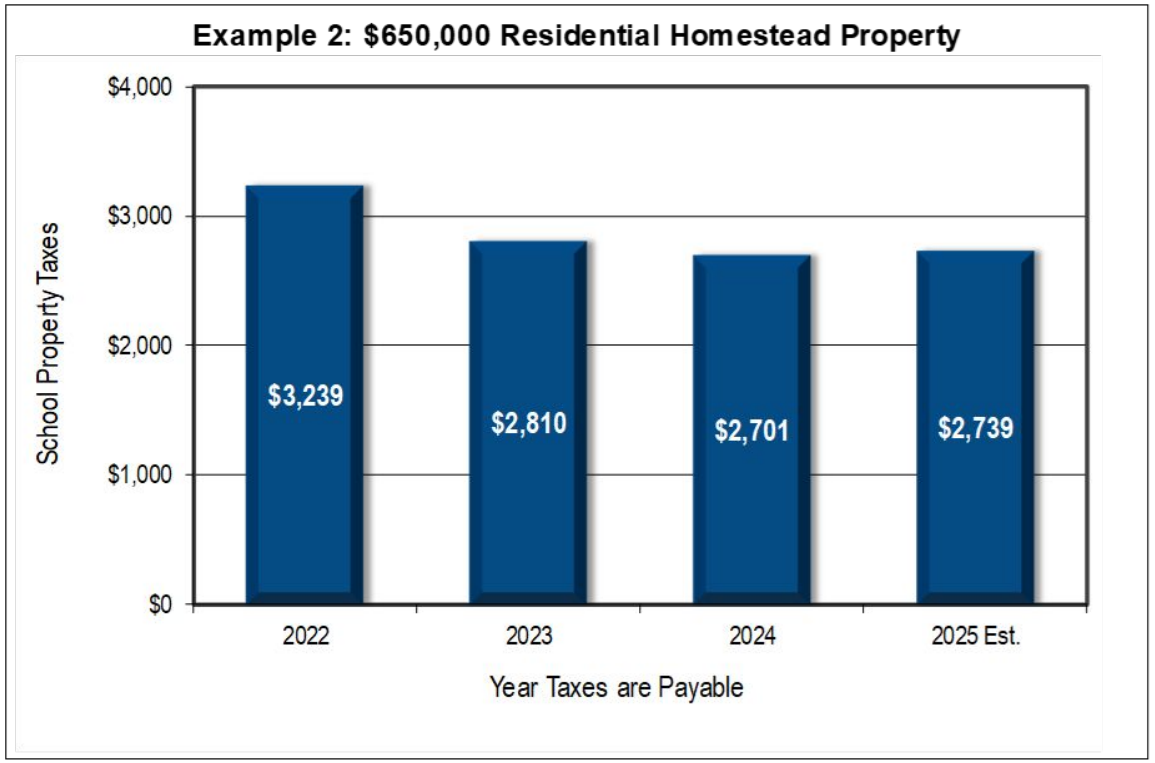




Estimated Changes in School Property Taxes, 2022-25

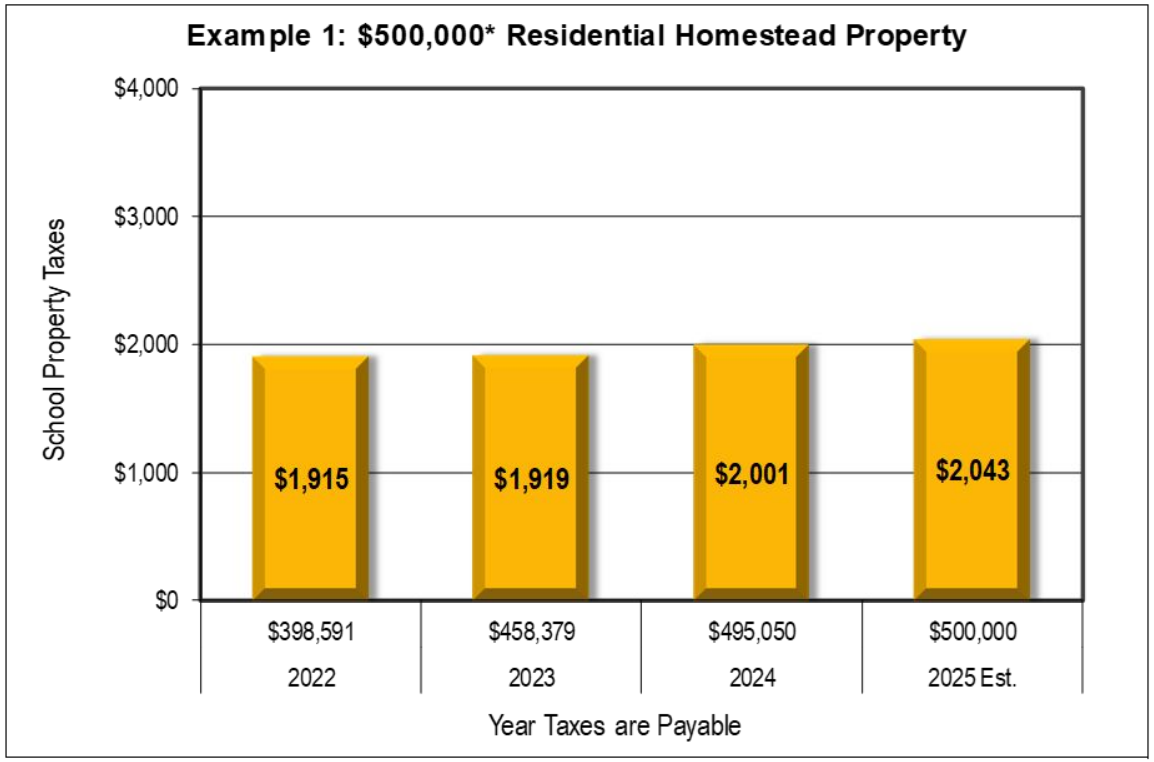
Based on No Changes in Property Value

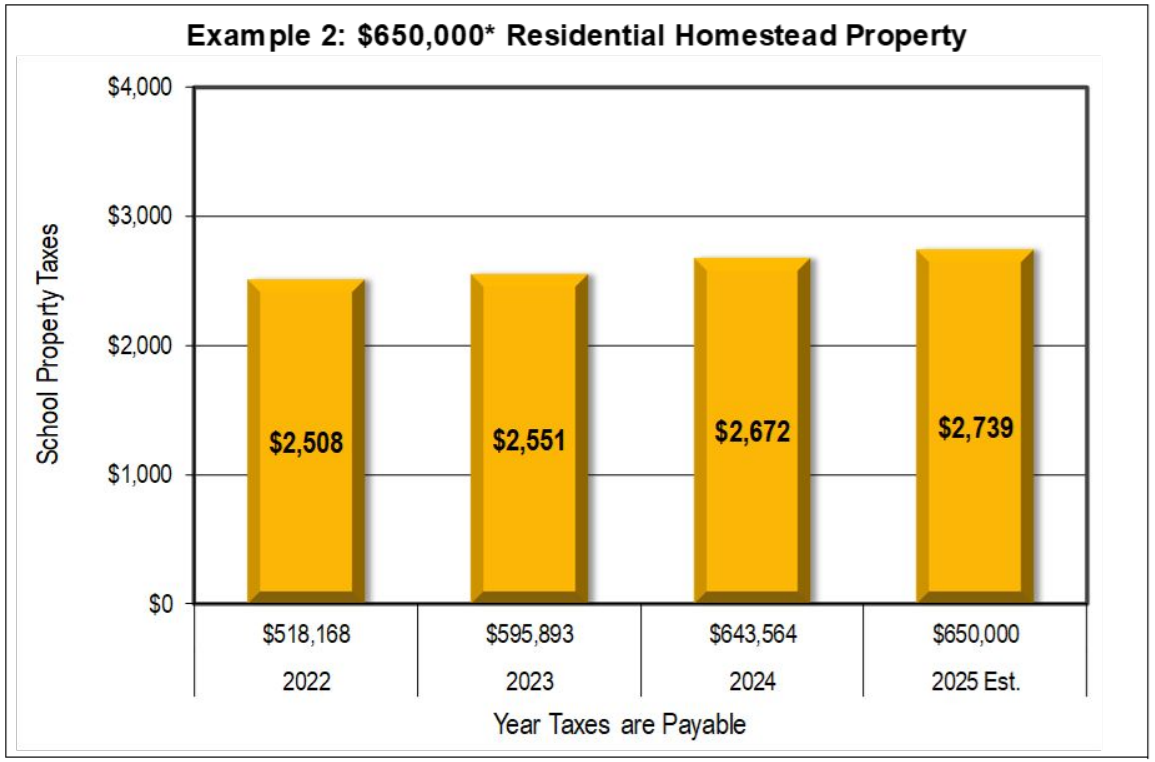




Estimated Changes in School Property Taxes, 2022-25

Based on 25.4% Cumulative Changes in Property Value





* Estimated market value for taxes payable in 2025. Taxes are calculated based on changes in market value of 15.0% from 2022 to 2023, 8.0% from 2023 to 2024 and 1.0% from 2024 to 2025.

What Causes Increases/Decreases in Levies?

State Law

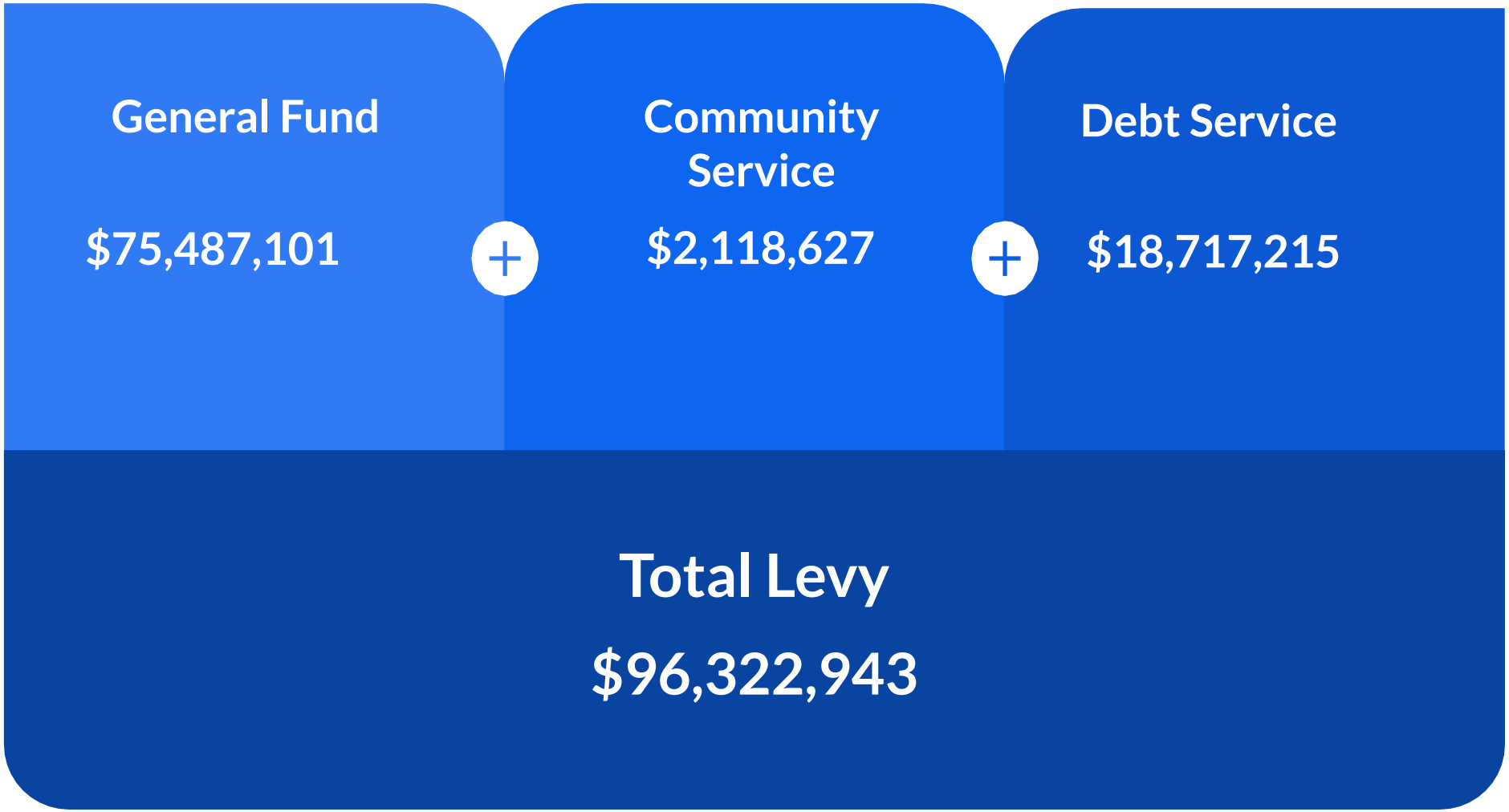
Pupil Units and Population

Market Value/Tax Capacity

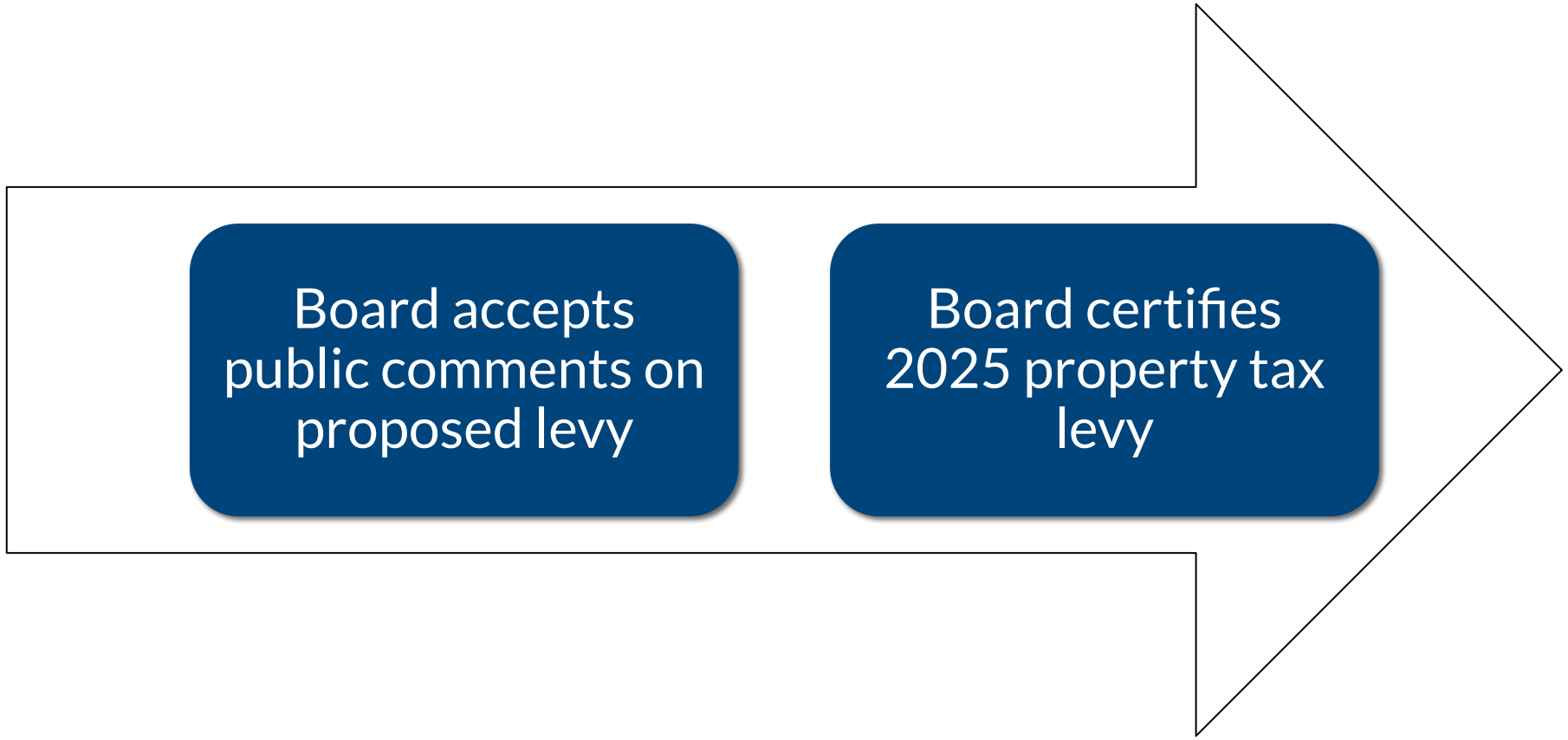
Changes in Expenditures

WAYZATA PUBLIC SCHOOLS

Final Proposed Payable 2025 Levy



Next Steps


Board accepts public comments on proposed levy
Board certifies 2025 property tax levy

Public Comment

Comments/Questions must be relevant to:

- 2024 Payable 2025 Tax Levy Certification (fiscal year 2025-26)
- Wayzata Public School's portion of taxes (not City or County taxes)

Speaker must be a District 284 taxpayer, must state name and address for the record

Hennepin County Determines Property Valuation – Contact Hennepin County with any valuation questions

WAYZATA PUBLIC SCHOOLS

WAYZATA PUBLIC SCHOOLS

PUBLIC COMMENTS

WAYZATA PUBLIC SCHOOLS

THANK YOU

Scott LeSage, MBA, MAcc
Executive Director, Finance & Operations