

**School Board Meeting/Workshop:**

**September 24, 2018**

**Subject:**

2018 Payable 2019 Proposed  
Levy Certification

**Presenter:**

**Gary Kawlewski, Director  
Finance and Operations**

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### **SUGGESTED SCHOOL BOARD ACTION:**

Approve the proposed 2018 Payable 2019 levy certification at the "Maximum".

**DESCRIPTION:** The proposed levy needs to be approved by September 30, 2018. Due to the number of inputs that go into the levy document, districts have the option to approve the levy at the "**Maximum**" to allow for any final adjustments to be made before the levy is sent to the county auditor's office for use with the Truth in Taxation notices. The current proposed total is \$15,241,446 compared to last year's total of 14,861,477. The proposed change is an increase of \$379,969 and represents a 2.56% increase from last year. These numbers are **subject to change**.

There are a number of factors that affect the calculations including but not limited to enrollment, property valuations, actual expenditures in certain programs, equalizing factors set in statute, district population, and voter approved ballot questions.

### **Levy Amount Changes**

Specifically for this year, the major reductions and additions come in the following areas:

- Long-Term Facilities Maintenance revenue is in its fourth year and remains relatively stable in total revenue but has a greater local share due to our increase in property values.
- The numbers include reducing our debt service levy by \$300,000 to buy down the fund balance and to reduce the impact of the levy total.
- The numbers include the \$96,942 savings from the general obligation bond refunding which closed in May 2018.
- All of the referendum market value based equalized levies will see a higher levy portion due to the district's growth in tax valuation.
- All net tax capacity based levies see an increase in levy amount due to higher valuations.
- We are seeing a number of prior year adjustments, as is the case every year, due to having final expenditure totals and enrollment totals for prior years.
- Based on an average 5% growth in Referendum Market Value and Net Tax Capacity, we are seeing the RMV tax rate go up and are seeing the NTC tax rate go down.

- The current tax rate projection on a \$200,000 home is \$821 versus \$845 last year.
- When factoring in the average 5% increase in property values moving a \$200,000 home to \$210,000, the actual tax increase would be about \$23 per year based on the current projections.

### **Tax Impact**

We are projected to continue to see growth in both net tax capacity values and in referendum market values across the district. These increases have the following affects:

- The increases bring the tax rates up from last year in the referendum market value based levies and lowers the net tax capacity based levy categories.
- Some of the equalized levies will see a slightly higher levy portion due to the district's growth in tax valuation in future levies.

Preliminary referendum market values and net capacity values are estimated at 5% for both counties based on the average of the last two years. As a result, the projected tax rate changes are as follows:

- Referendum Market Value - .12930% up to .13035%
- Net Tax Capacity Value – 32.4499% down to 30.9949%

We are still waiting for preliminary values from the counties and hope to have them for the board meeting. These numbers will change a bit by the time the final tax statements are sent out. As a reminder, any impact from the upcoming vote on November 6, 2018 is not included in these numbers.

The district will host its Truth in Taxation hearing as a part of the December 10, 2018 school board meeting to discuss the 2018-19 budget and the proposed 2018 Payable 2019 levy and ultimately approve the final levy.

### **ATTACHMENT(S):**

1. Comparison of Proposed Tax Levy Payable in 2019 to Tax Levy Payable in 2018
2. 18 Pay 19 Prelim Projected Tax Impact 9.21.18