

# Public Meeting for Taxes Payable in 2017

*Rochel Manders, Director of Business Services*

*December 8, 2016*



# Truth in Taxation Law

## Background on Property Tax Levies

### Requirements:

- Discussion of proposed property tax levy for taxes payable in 2017
- Current year budget must be discussed
- Must allow for public comment and question

- Minnesota Statute 275.065



# Proposed Taxes Payable in 2017



# Levy Cycle Comparison

	2016												2017												2018														
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D			
	A	E	A	P	A	U	U	U	E	C	O	V	A	E	A	P	A	U	U	U	E	C	O	V	A	E	A	P	A	U	U	U	E	C	O	V	A	E	C
Legislation																																							
Tax Levy Decision																																							
Collection of Levy																																							
Budget Year																																							

# **Legislative Changes That Affect the 2017 Levy**



# Legislative Changes

- The veto of the 2016 Tax Bill eliminated most of the changes that would have impacted district levies
- Changes from the 2015 Legislature continue and will impact levies payable in 2017
  - Increase in Long Term Facilities Maintenance from \$193/APU to \$292/APU for FY18
  - Reductions in levies to offset increases in LTFM
    - Operating Capital reduced beginning in FY18
    - Student achievement reduced in FY18 and eliminated in FY19



# General Fund Changes in Basic Per Pupil Allowance 2006-2017

## General Fund Changes in Basic Per Pupil Allowance

Year	Gross Formula Allowance	Increase	Net Percent Change
2006-07	\$ 4,974	\$182	4.0%
2007-08	\$ 5,074	\$100	2.0%
2008-09	\$ 5,124	\$50	1.0%
2009-10	\$ 5,124	\$0	0.0%
2010-11	\$ 5,124	\$0	0.0%
2011-12	\$ 5,174	\$50	1.0%
2012-13	\$ 5,224	\$50	1.0%
2013-14	\$ 5,302	\$78	1.5%
2014-15	\$ 5,831 *	\$529	10.0%
2015-16	\$ 5,948	\$80	1.4%
2016-17	\$ 6,067	\$119	2.0%
2017-18	\$ 6,067	\$0	0.0%

Source: Minnesota Department of Education K-12 Education Finance

\*The actual increase to the Formula Allowance is 1.5% or \$80. The additional increase (to \$5,806) is to adjust the Formula Allowance for the change in student weighting.



# School District Budget





# Fiscal Year 2016-17 Budget

22% of gen fund revenues

Revenues	General Fund	Food Service Fund	Community Ed. Fund	Debt Fund	Proprietary Fund	OPEB	Total
Levy	8,068,233		308,735	4,923,844		338,325	13,639,137
State Aid	27,315,223	52,500	85,366	3,500			27,456,589
Federal Aid	747,772	342,000					1,089,772
Other	717,950	1,089,600	1,532,693	4,500	5,222,000	35,000	8,601,743
Student Activities	538,570						538,570
<b>Total Revenues</b>	<b>37,387,748</b>	<b>1,484,100</b>	<b>1,926,794</b>	<b>4,931,844</b>	<b>5,222,000</b>	<b>373,325</b>	<b>51,325,811</b>

80% of gen fund expenses

Expenses	General Fund	Food Service Fund	Community Ed. Fund	Debt Fund	Proprietary Fund	OPEB	Total
Salaries/Benefits	30,198,675	135,560	1,253,133				31,587,368
Purchased Services	4,628,077	605,255	401,697				5,635,029
Supplies	1,117,601	665,400	63,000				1,846,001
Capital Expenditures	1,171,296	31,500	6,500				1,209,296
Debt Service				4,903,484		329,333	5,232,817
Other Expenditures	197,615		16,800		5,040,000	387,459	5,641,874
Student Activities	621,720						621,720
<b>Total Expenses</b>	<b>37,934,984</b>	<b>1,437,715</b>	<b>1,741,130</b>	<b>4,903,484</b>	<b>5,040,000</b>	<b>716,792</b>	<b>51,774,105</b>

<b>Budget Balance</b>	<b>(547,236)</b>	<b>46,385</b>	<b>185,664</b>	<b>28,360</b>	<b>182,000</b>	<b>(343,467)</b>	<b>(448,294)</b>
-----------------------	------------------	---------------	----------------	---------------	----------------	------------------	------------------

Includes unassigned, assigned and restricted

Unassigned balance is (241,361) -- 8.6%



# Proposed Levies Payable in 2017



# Proposed Tax Levy Payable in 2017

Funds	Certified Payable 2016 (\$)	Proposed Levy Payable 2017 (\$)	Difference from Pay 2016 (\$)
<b>General Fund</b>			
Voter Approved Referendum	2,709,891	2,706,172	(3,719)
Board Approved Referendum	889,581	919,063	29,482
Local Optional Revenue	1,544,886	1,542,766	(2,120)
Equity	441,194	429,127	(12,067)
Transition	21,169	21,177	7
Student Achievement (Gen Ed)	67,023	32,530	(34,493)
Capital Projects Levy	580,493	618,338	37,845
Operating Capital	327,657	252,565	(75,092)
Q Comp	302,490	302,215	(276)
Achievement & Integration	84,458	93,910	9,452
Reemployment Insurance	10,000	15,000	5,000
Safe Schools	131,170	130,990	(180)
Safe Schools Intermediate	47,367	47,302	(65)
Career Technical	46,977	51,732	4,755
LT Facilities	402,670	632,083	229,413
Lease	244,096	274,098	30,001
General Fund Adjustments	142,109	(18,201)	(160,310)
<b>Total General Fund</b>	<b>7,993,233</b>	<b>8,050,867</b>	<b>57,634</b>
<b>Community Service</b>	247,848	277,058	29,211
<b>Debt Service</b>	4,923,844	4,882,469	(41,375)
<b>OPEB Debt Service</b>	338,325	328,550	(9,774)
<b>Total Proposed Levy</b>	<b>13,503,249</b>	<b>13,538,945</b>	<b>35,696</b>
<b>Percent Increase over Pay 2016</b>			<b>0.26%</b>



# Impact on Taxpayer



# Changes in Estimated Market Value

Levy Year	Market Value	Change	Net Percent Change
2011-12	1,871,827,700	-126,916,656	-6.3%
2012-13	1,771,070,400	-100,757,300	-5.4%
2013-14	1,781,601,200	10,530,800	0.6%
2014-15	1,924,499,932	142,898,732	8.0%
2015-16	2,096,640,800	172,140,868	8.9%
2016-17	2,146,768,400	50,127,600	2.4%

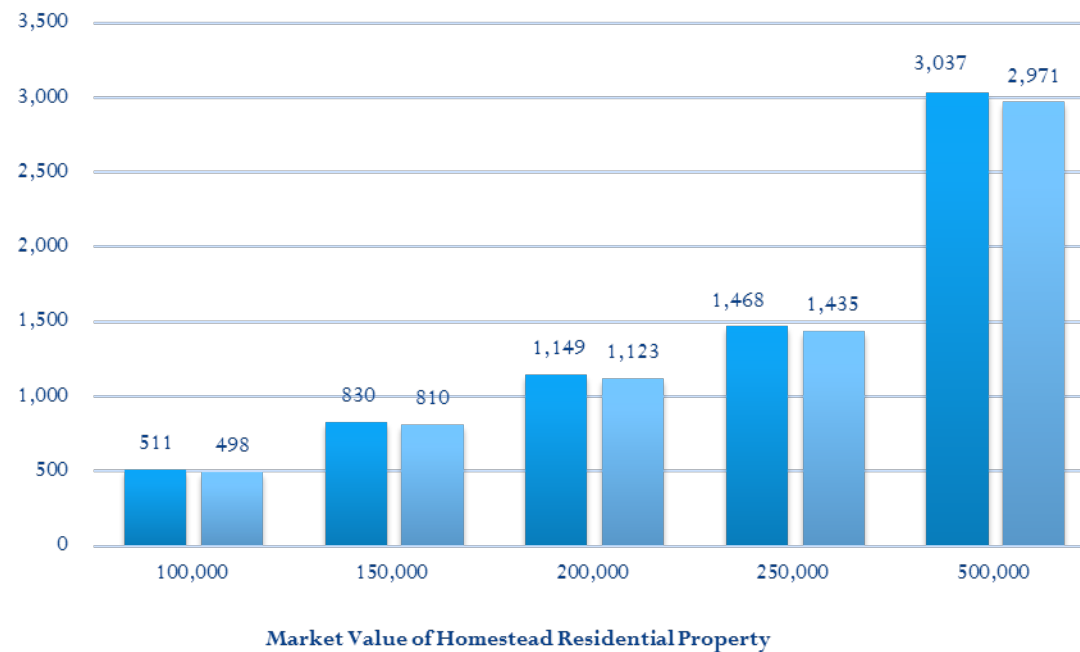
*\*Source: Washington County*



# Property Tax Comparisons

## Pay 2016 versus pay 2017

Property Tax Comparisons - Pay 2016 Versus Pay 2017



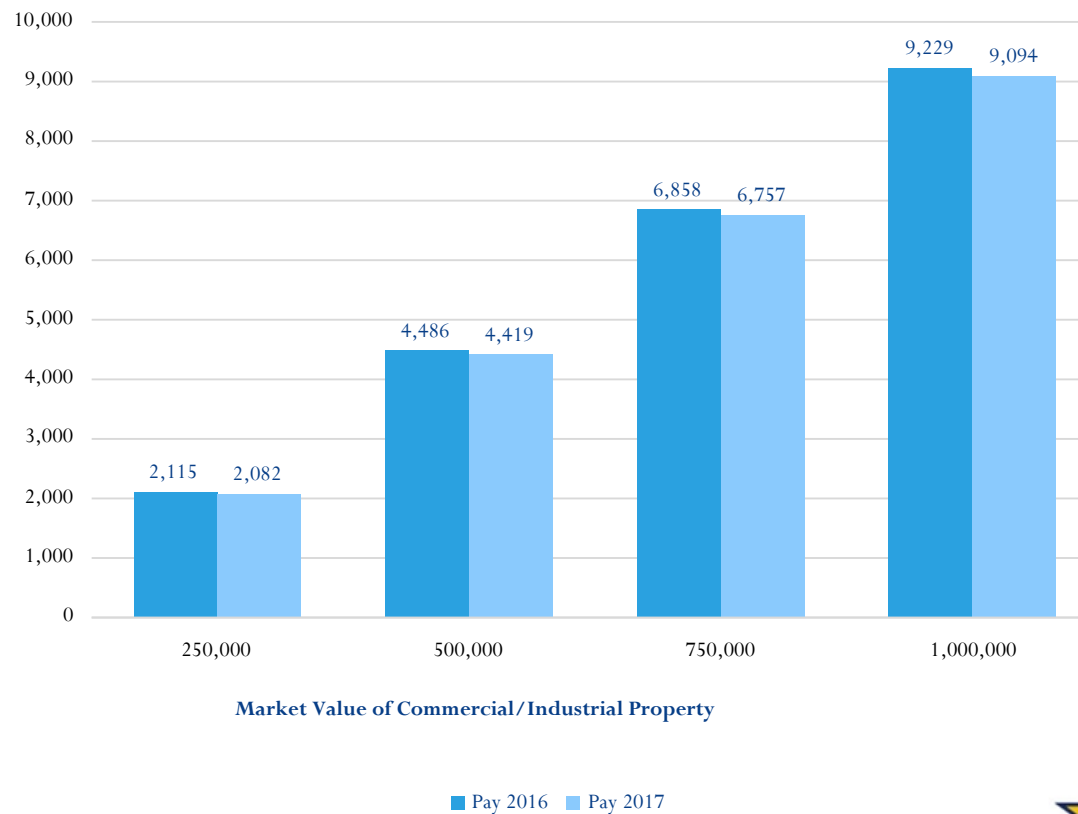
■ Pay 2016 ■ Pay 2017



# Property Tax Comparisons

## Pay 2016 versus pay 2017

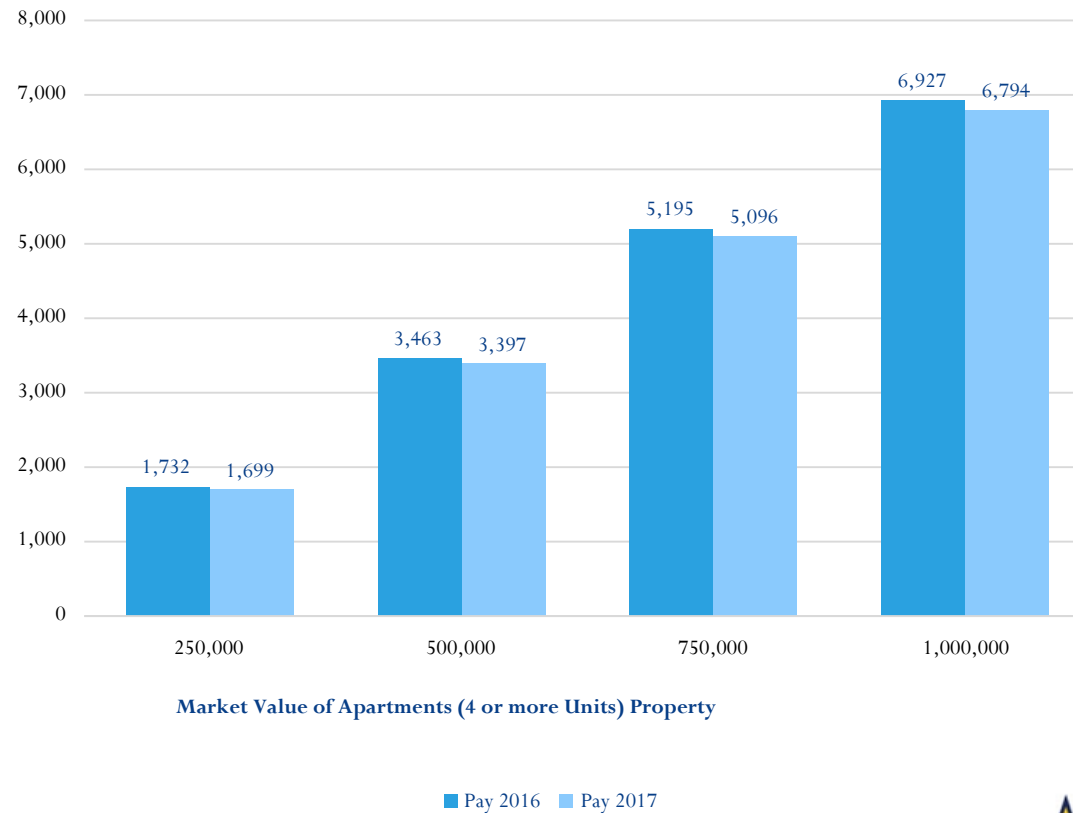
Chart Title



# Property Tax Comparisons

## Pay 2016 versus pay 2017

Chart Title

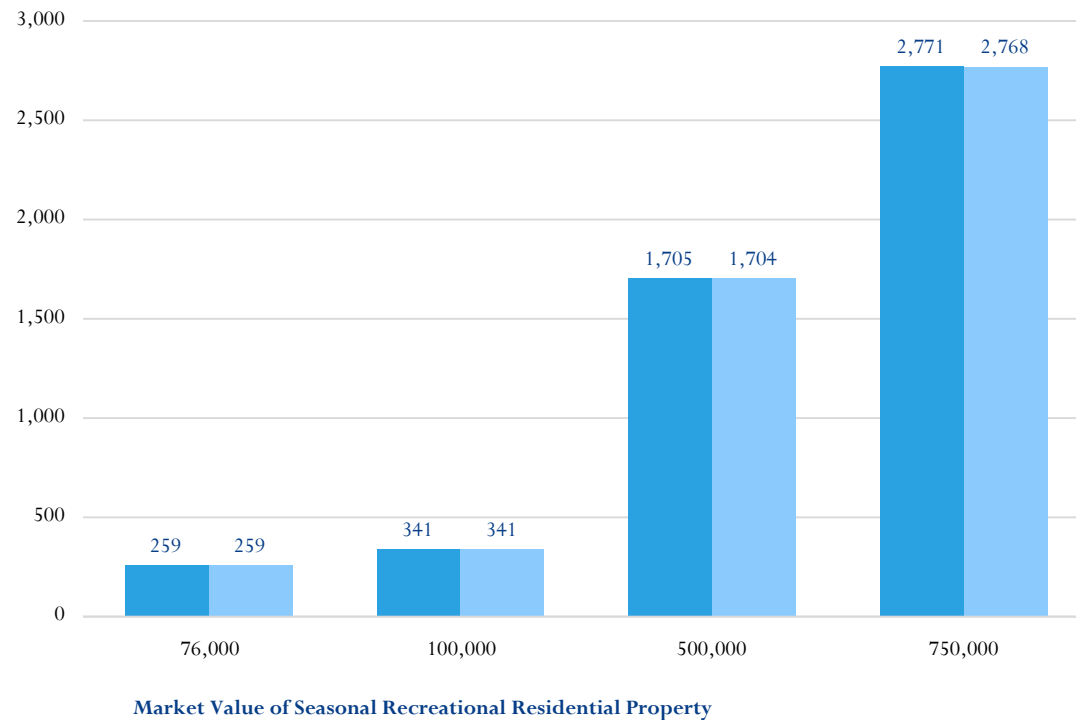




# Property Tax Comparisons

## Pay 2016 versus pay 2017

Chart Title



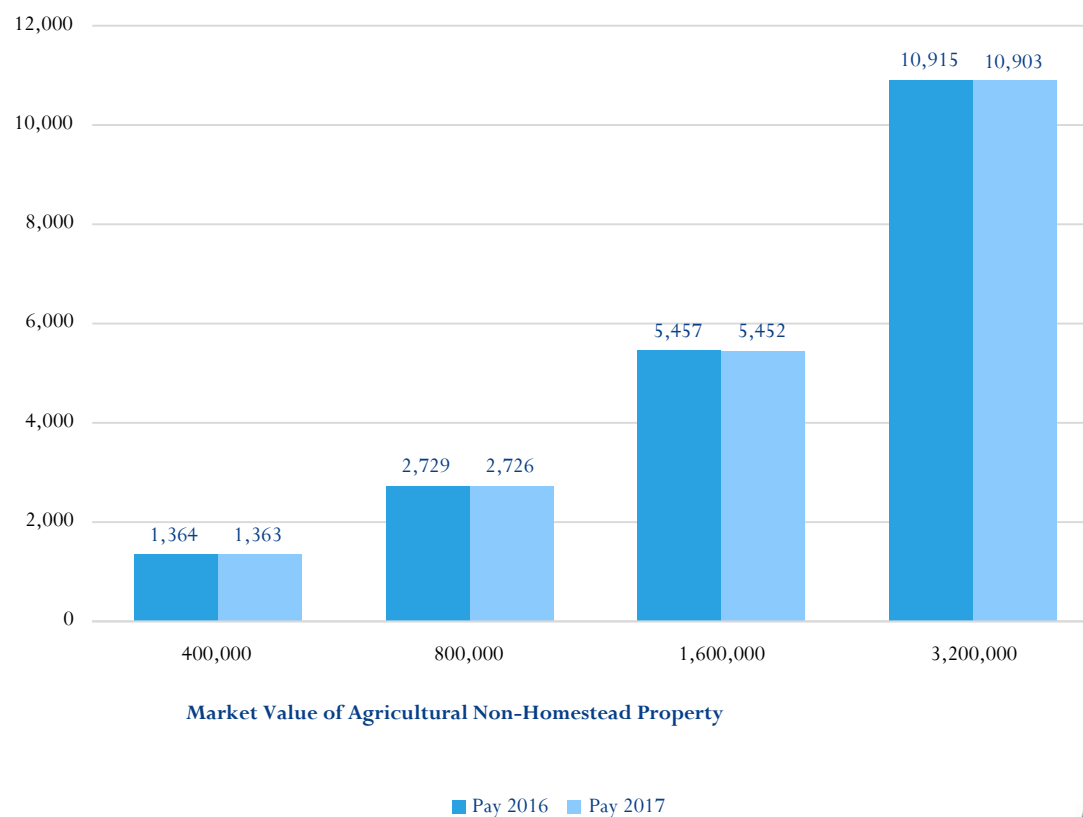
■ Pay 2016 ■ Pay 2017



# Property Tax Comparisons

## Pay 2016 versus pay 2017

Chart Title



# Comments and Questions

