

Preliminary Property Tax Levy Payable 2022

SEPTEMBER 27, 2021

BUFFALO-HANOVER-MONTROSE SCHOOLS



Main Factors Affecting Taxes Payable 2022

Most changes driven by decrease in student numbers

- Current levy for Pay 2022
- Adjustments from prior year levy due to enrollment corrections

Change in levy to aid ratio - Referendum Market Value per Weighted Pupil Unit

Lease levy increase for high school tennis courts and cooperative levies

Decrease in reemployment levy

Student Counts Used for Levy

Pay 2021 Levy Calculations			Pay 2022 Levy Calculations		
	2020-2021 Levy		2020-2021 Actual		
	General Ed	Resident	General Ed	Resident	
	5,727	6,407	5,356	5,964	
ADM	5,727	6,407	5,356	5,964	
Pupil Units	6,284	7,024	5,898	6,566	
	2021-2022 Levy		2021-2022 Projection		
	General Ed	Resident	General Ed	Resident	
	5,710	6,461	5,437	6,394	
ADM	5,710	6,461	5,437	6,394	
Pupil Units	6,269	7,083	5,979	7,014	
	2022-2023 Levy		2022-2023 Projection		
	General Ed	Resident	General Ed	Resident	
	5,595	6,293	5,306	6,449	
ADM	5,595	6,293	5,306	6,449	
Pupil Units			5,832	7,074	

Property Value Changes for Pay 2022

	<u>Values</u>	<u>Dollars Change</u>	<u>Percent Change</u>
Market Value:	\$ 3,897,055,815	\$ 278,553,235	7.70%
Referendum Market Value:	\$ 3,658,898,725	\$ 264,986,576	7.81%
Adjusted Net Tax Capacity:	\$ 45,162,504	\$ 2,927,914	6.93%
Sales Ratio:	93.50%		1.80%

Referendum Market Value

Referendum Market Value

- Pay 2019 \$2,956,746,130 Increase \$186,861,555 or 6.75%
- Pay 2020 \$3,154,239,325 Increase \$197,493,195 or 6.68%
- Pay 2021 \$3,393,912,150 Increase \$239,672,825 or 7.60%
- Pay 2022 \$3,658,898,775 Increase \$264,986,625 or 7.81%

Referendum Market Value per Weighted Residential Pupil Unit

- Pay 2019 \$428,868 Increase \$28,346 or 7.08%
- Pay 2020 \$480,415 Increase \$51,548 or 12.02%
- Pay 2021 \$483,866 Increase \$3,451 or .72%
- Pay 2022 \$517,206 Increase \$33,340 or 6.89%

Levy & Equalization Aid

- Equalization Aid driven by Referendum Market Value(RMV) per Adjusted Pupil Unit (APU)
- Large increase in RMV
- Decrease in APUs
- Increase in RMV per APU

Equalization Levy/Aid – Tier Comparison

	Tier 1 Levy %	Tier 2 Levy %	Tier 3 Levy %
Pay 2019	.47924500	.82693255	1.00
Pay 2020	.79423102	1.00	1.00
Pay 2021	.54453810	.93959516	1.00
Pay 2022	.58773490	.94235928	1.00

Percentage is the levy portion

2021 Pay 2022 for Fiscal Year 2022-23

Category	2021 Final Levy	2022 Proposed Levy	Change from Prior Year	Percent Change
General Fund	\$ 12,166,462.48	\$ 11,294,455.40	\$ (872,007)	-7.17%
Community Education	\$ 597,304.55	\$ 582,215.59	\$ (15,089)	-2.53%
Debt Service	\$ 7,369,783.04	\$ 7,823,104.54	\$ 453,321	6.15%
Total Certified Levy	\$ 20,133,550.06	\$ 19,699,775.53	\$ (433,775)	-2.15%

Impact of GO Bond Refunding

Preliminary Levy is based on the current bonds outstanding.

- A \$300,000 reduction in debt service was not requested as in years past.

Issuance of the General Obligation School Building Refunding Bonds, Series 2021A

- Will generate a debt service savings of approximately \$200,000 per year for two years
- The savings will reduce the property tax levy and corresponding District revenue

The Final Property Tax Levy will be less than the Preliminary

Preliminary Property Tax Levy

Recommendation to approve the Preliminary Payable 2022 Property Tax Levy at the “Maximum”.

Budget and Levy (TNT) Hearing will be held at 7:00 PM during the Regular School Board Meeting on December 13, 2021, located at the Discovery Center Board Room, 214 1st Ave NE, Buffalo, MN.