WAYZATA PUBLIC SCHOOLS
Finance & Operations

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To: Members of the Board of Education
Dr. Robb Virgin, Superintendent of Schools

From: Trevor Peterson, Executive Director of Finance & Operations

Date: September 28, 2026

Subject: Recommendation of the 2026 Payable 2027 Preliminary Property Tax Levy Certification to Finance a Portion of the 2027-28 School Year Operations

The District has received the 2026 Payable 2027 Preliminary Levy Limitation and Certification document from the Minnesota Department of Education (MDE). Based on state authorization, enclosed are several exhibits summarizing the District's preliminary property tax levy for your consideration.

The District's 2026 Payable 2027 (Payable 2027) preliminary levy must be certified by the Board of Education by September 30, 2026. Therefore, it is necessary that the District certifies a preliminary tax levy at the special meeting scheduled for Monday, September 28, 2026. Typically, once the District has submitted its preliminary tax levy certification to the county auditor, it can only be increased with authorization from MDE or from a successful voter referendum in the time frame between the approval of the preliminary levy and the final levy. However, individual items may be decreased by the Board of Education prior to final approval, which will occur in December 2026.

The District's property tax levy is allocated to individual parcels of property within the District using formulas based upon market values assessed by Hennepin County. The preliminary estimate of the District's total assessed market value increased by $693 million from $21.591 billion in 2024 to $22.284 billion in 2025. This represents approximately a 3.21% increase in market value and includes existing and new properties. A sample of individual parcel school property tax estimates will be available prior to approval of the final levy scheduled in December.

Legislative actions combined with revenue formulas, student enrollment growth and fluctuations in individual taxpayer's market value add complexity to a school district's local property tax levy. The purpose of this document is to discuss the significant changes that have occurred in the Payable 2027 preliminary levy and to provide clarity to the Board of Education and to the community.

PROPOSED PRELIMINARY PROPERTY TAX LEVY

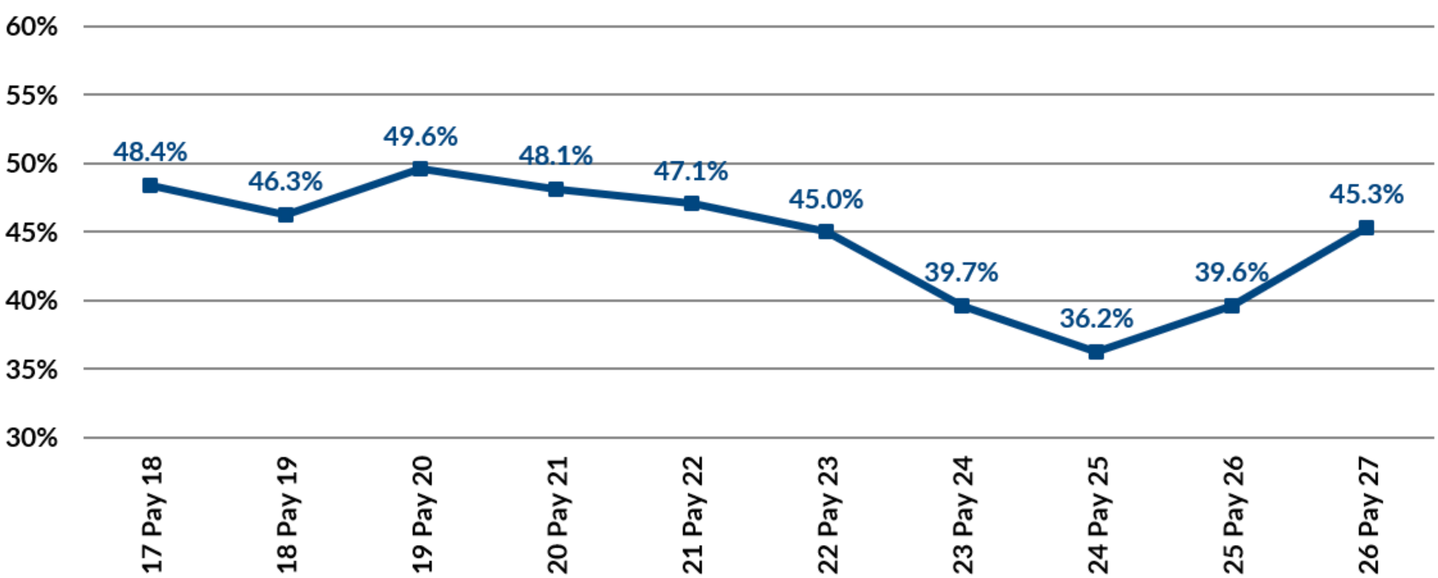
The District's total preliminary levy for taxes payable in 2027 is $120,198,597.82. This levy amount represents an overall increase of $17,970,053.62 or 17.58% from the previous year.

Of this amount, about 2/3rds of the annual increase ($12,164,127.64) is due to the voter approved building bond referendum on April 14, 2026.

The table below shows a comparison of the preliminary levy payable in 2027 with the District's certified levy payable in 2026. While the levy detail is presented by separate funds, it is important to focus on the District's total Payable 2027 levy when comparing it to the total Payable 2026 levy.

Fund	Actual Tax Levy Payable in 2026	Proposed Tax Levy Payable in 2027	$ Change	% Change
General	$ 79,920,348.06	$ 85,649,457.41	$ 5,729,109.35	7.17%
Community Service	$ 2,241,134.46	$ 2,578,951.79	$ 337,817.33	15.07%
Debt Service	$ 20,067,061.68	$ 31,970,188.62	$ 11,903,126.94	59.32%
TOTAL	**$ 102,228,544.20**	**$ 120,198,597.82**	**$ 17,970,053.62**	**17.58%**

Over the last nine years, the District's total levy increase has averaged 6.02% while the Net Tax Capacity (NTC) has increased by 85.14% over the same period, an average of 9.46% per year. This corresponding growth in NTC has minimized the tax impact on District property owners. The following graph compares the District's levy amount to the Adjusted Net Tax Capacity.



The following pages provide a detailed analysis of the levy by fund.

GENERAL FUND

Exhibit I on page 5 is a detailed analysis of the proposed levy recommendation for the General Fund. Overall, the General Fund levy increased by 7.17% or $5,729,109.35.

RMV – Voter Approved Levies

- Total increase of 4.55% or $1,552,701.71.
- The District's voter-approved operating referendum changes annually based on two main factors: enrollment projections and an increase for the annual inflation factor.
- Increase in the current year operating referendum inflationary allowance of 2.14% results in the per pupil amount to be $2,380.06. This, along with increased enrollment results in increased revenue of $1,569,164.10.
- Payable 2027 prior year adjustments (+$138,729.60) were very similar to Payable 2026 (+$155,191.99).

RMV – Other Levies

- Local Optional Revenue increased $112,654.40 due to enrollment increasing from 14,791.20 estimated pupil units (2026-27) to 14,946.80 estimated pupil units (2027-28), an increase of 155.60 pupil units. Formula allowance of $724.00 per pupil unit remained the same, so 155.60 * $724.00 = $112,654.40 increase.
- Equity Revenue decreased $297,473.38 from Payable 2026. This decrease is the result of the District's revenue per pupil as calculated for Equity purposes exceeding the 95th percentile for metro districts in Payable 2027 and not in Payable 2026.
- Transition Revenue remained relatively consistent from Payable 2026.

NTC - Voter Approved Levies

- District voters authorized an annual capital project levy which funds technology expenditures such as student and staff devices, district-wide technology infrastructure, and technology access and support.
- The Payable 2027 Capital Project / Tech Levy at $12,747,594.70 increased by $347,508.81 due to the increase in the District's net tax capacity (NTC). The voter approved tax rate is applied to the District's previous years NTC. The increase for Payable 2027 is similar to the increase recognized in Payable 2026.

NTC - Other Levies

The District's Long-Term Facilities Maintenance (LTFM) levy finances deferred maintenance projects on school facilities, accessibility improvements, and meets health and safety requirements. To receive revenue, the Board of Education must annually approve a ten-year plan which is subsequently submitted to MDE for approval.

- LTFM revenue will finance projects throughout the District and can be carried over from year to year until projects are completed but are adjusted on the annual levy.

- For the taxes Payable 2027, the District's LTFM levy (net of adjustments) of $14,203,427.32 is an increase from the prior year of $10,449,752.91. Payable 2027 negative adjustment of $2,285,821.03 is more in line with expectations as opposed to the previous two years. Payable 2025 included a large negative adjustment of $8,811,303.89 which is due to project timing and those projects which the district was unable to initiate, while the negative adjustment for Payable 2026 was $4,302,644.20.

The General Fund levy also includes several other levies that are primarily formula driven and have changed either due to revised estimates, enrollment fluctuations or increases in the District's tax capacity. These levy amounts are authorized by statute and the District must levy for each component or risk losing the revenue, or in some cases, lose a corresponding state aid.

- The Other Post-Employment Benefits (OPEB) levy represents the unfunded actuarial accrued liability (UAAL) as calculated by the District's actuary under the Government Accounting Standards Board Statement No. 75 (GASB 75). This levy for Payable 2027 is $124,601.00, compared to $166,061.00 and $490,657.00 in Payable 2026 and 2025, respectively.

- Another notable change is for the District's lease levy. Combining the current year lease levy and adjustments from previous years, the lease levy is $776,926.10 lower in Payable 2027 from what it was in Payable 2026.

Overall, each individual component of the General Fund levy has been reviewed for reasonableness and accuracy with the corresponding formula that drives its calculation.

Payable 2027 Levy Certification
Proposed General Fund Levy

Exhibit I

Funding Category	Payable 2026 Final Levy	Payable 2027 Proposed Levy	$ Change	% Change
RMV - Voter Approved				**4.55%**
Referendum Levy Authority	34,005,116.71	35,574,280.81	1,569,164.10	
Prior Year Adjustments	155,191.99	138,729.60	(16,462.39)	
RMV - Other				**-1.72%**
Local Optional Revenue	10,679,093.16	10,791,747.56	112,654.40	
Prior Year Adjustments	(13,212.04)	(62,407.84)	(49,195.80)	
Equity Revenue	1,044,813.38	747,340.00	(297,473.38)	
Prior Year Adjustments	(36,696.02)	(4,052.58)	32,643.44	
Transition Revenue	17,453.61	17,637.22	183.61	
Prior Year Adjustments	(70.00)	(150.17)	(80.17)	
NTC - Voter Approved				**2.80%**
Capital Projects / Tech Levy	12,400,085.89	12,747,594.70	347,508.81	
NTC - Other				**18.60%**
Operating Capital	2,516,052.33	2,594,041.38	77,989.05	
Prior Year Adjustments	9,386.30	10,786.54	1,400.24	
Alternative Teacher Compensation	1,202,329.31	1,227,754.71	25,425.40	
Prior Year Adjustments	(935.48)	417.69	1,353.17	
Achievement & Integration	797,548.02	827,423.39	29,875.37	
Prior Year Adjustments	12,803.45	3,256.81	(9,546.64)	
Reemployment Insurance	100,934.00	175,642.94	74,708.94	
Prior Year Adjustments	138,930.08	125,763.17	(13,166.91)	
Safe Schools	532,483.20	538,084.80	5,601.60	
Safe Schools Intermediate 287	221,868.00	224,202.00	2,334.00	
Prior Year Adjustments	30,614.28	(4,695.57)	(35,309.85)	
Ice Arena	276,000.00	272,000.00	(4,000.00)	
Career Technical Education	717,297.96	1,110,526.73	393,228.77	
Other Post-Employment Benefits	166,061.00	124,601.00	(41,460.00)	
Prior Year Adjustments	-	(3,005.00)	(3,005.00)	
Long-Term Facilities Maintenance	15,461,147.11	17,229,498.35	1,768,351.24	
LTFM Bond Adjustments	(708,750.00)	(740,250.00)	(31,500.00)	
Prior Year Adjustments	(4,302,644.20)	(2,285,821.03)	2,016,823.17	
Lease Levy	3,578,400.15	3,049,964.89	(528,435.26)	
Prior Year Adjustments	230,743.53	(17,747.31)	(248,490.84)	
Abatements	1,106,743.00	1,236,282.71	129,539.71	
Other Adjustments	(418,440.66)	9.91	418,450.57	
Total General Fund Levy	**79,920,348.06**	**85,649,457.41**	**5,729,109.35**	**7.17%**

COMMUNITY SERVICE FUND

Exhibit II is a detailed analysis of the proposed levy recommendation for the Community Service Fund. These levies are based on statewide tax rates applied to all property in the state. Statewide revenue formulas remained stable. All Community Service fund levies are assessed on NTC (no RMV) and are included in Other Levies.

- The largest component of the Community Service Levy, school age care, is estimated at $1,250,000.00, an increase of $50,000.00 from Payable 2026. This levy is a self-adjusting levy based on annual expenditures from two fiscal years prior, which resulted in a $201,812.51 adjustment. This adjustment supports the increase in this levy category last year when it increased from $985,000.00 to $1,200,000.00

- Early Childhood Family Education (ECFE) increased $19,046.11 for the current year with an adjustment that is $58,464.35 more than Payable 2026.

- The remaining categories for the Community Service Levy (Basic Levy, Home Visiting, & Adults with Disabilities) are consistent with levies from recent years.

Payable 2027 Levy Certification
Proposed Community Service Fund Levy

Exhibit II

Funding Category	Payable 2026 Final Levy	Payable 2027 Proposed Levy	$ Change	% Change
Basic Levy	590,036.70	590,036.70	-	
Early Childhood Family Education	456,731.15	475,777.26	19,046.11	
Prior Year Adjustments	(52,647.84)	5,816.51	58,464.35	
Home Visiting	15,735.00	16,125.00	390.00	
Prior Year Adjustments	(159.70)	226.80	386.50	
Adults with Disabilities	12,894.87	13,263.71	368.84	
School Age Care	1,200,000.00	1,250,000.00	50,000.00	
Prior Year Adjustments	(12,117.08)	201,812.51	213,929.59	
Abatements	30,661.36	25,893.30	(4,768.06)	
Total Community Service Fund Levy	**2,241,134.46**	**2,578,951.79**	**337,817.33**	**15.07%**

DEBT SERVICE FUND

Exhibit III is a detailed analysis of the proposed levy recommendation for the Debt Service Fund. The District is required to levy 105% of scheduled principal and interest payments to ensure the District has the funds to make scheduled payments in the event of taxpayers not paying their property taxes. To compensate for any overpayments for when the taxpayers do pay their property taxes, negative debt excess adjustments are made in subsequent years. All Debt Service fund levies are assessed on NTC (no RMV) and split between Voter Approved and Other Levies.

- The voter approved portion of the Debt Service levy of 105% for scheduled principal and interest payments increased by $11,623,606.00. This increase can be attributed to the voter approved building bond referendum from April 14, 2026. 105% of the debt service payments for those bonds equals $12,164,127.64, which means the levy for the remainder of the voter approved levy decreased by $540,521.64.

- The portion of Debt Service for other levies and LTFM increased by $213,470.00.

Payable 2027 Levy Certification
Proposed Debt Service Fund Levy

Exhibit III

Funding Category	Payable 2026 Final Levy	Payable 2027 Proposed Levy	$ Change	% Change
NTC - Voter Approved				**71.44%**
Debt Service	16,108,375.00	27,731,981.00	11,623,606.00	
Reduction for Debt Excess	(0.40)	-	0.40	
Abatements	255,056.08	321,106.62	66,050.54	
NTC - Other				**5.76%**
Debt Service	1,363,905.00	1,396,245.00	32,340.00	
Reduction for Debt Excess	-	-	-	
Long-Term Facilities Maintenance	2,339,726.00	2,520,856.00	181,130.00	
Total Debt Service Fund Levy	**20,067,061.68**	**31,970,188.62**	**11,903,126.94**	**59.32%**

SUMMARY

The 2026 Payable 2027 Preliminary Property Tax Levy represents the total impact, across all funds, of the legislated property tax levy authority. As the state continues to refine the 39 pages of formulas that derive the levy amounts, it is important to note that minor changes may still occur. The state allows local school boards to simply approve a “maximum” preliminary levy certification to allow changes made until September 30th which will then be reflected in the parcel specific notices mailed out this fall. The District administration recommends that the Board of Education approve the maximum levy amount. The Board of Education retains the option to subsequently reduce the amount of the levy prior to certifying the levy at its December 14, 2026 meeting.

The District administration recommends approval of the presented preliminary amounts by allowing the maximum.

TRUTH IN TAXATION LAW

The public will have the opportunity to speak to the Board of Education about Wayzata Public Schools’ Tax Levy at the regular school board meeting on December 14, 2026, at 7:00 p.m. If you have questions regarding the enclosed materials or desire additional information, please contact me at (763) 745-5038 or trevor.peterson@wayzataschools.org