



Truth in Taxation Hearing- Final Levy Approval

December 10, 2020



Levy Certification Calendar

- Deadline for school boards to certify proposed property tax levies to home county auditor- Sept. 30, 2020
- Deadline for school districts to certify final adopted levies to home county auditor and to submit Certificate of Truth-in-Taxation Compliance to Department of Revenue- Dec. 28, 2020

School District Property Taxes

Comprised of:

- Voter Approved Levies:

Operating Referendum, Capital Projects (Technology) and
Building Improvement/Construction Bonded Debt

and

School District Property Taxes

- Discretionary Levies:

For expenditures with levy limits in categories authorized in law such as:

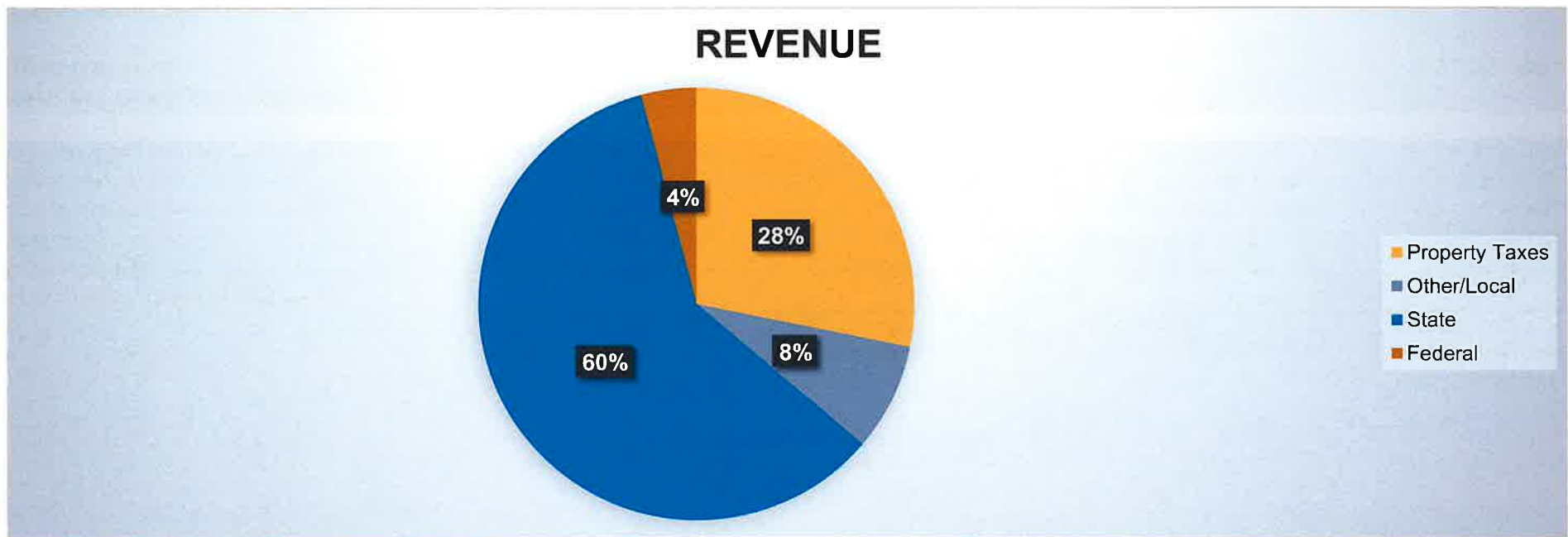
LTFM (Long-term Facilities Maintenance)

Safe Schools

Building Lease

School District Property Taxes

Property taxes provide 28% of Governmental Funds Revenue



Governmental Funds- Revised Budget

Mahtomedi Public Schools Independent School District #832 Revised Budget July 1, 2020 -June 30, 2021

	Beginning Fund Balance 7/1/2020	Projected Revenue	Projected Expense	Est. Ending Fund Balance 6/30/2021
GOVERNMENTAL FUNDS				
General Funds	5,067,496	43,587,521	43,277,277	5,377,740
Food Service	243,798	1,430,915	1,442,286	232,427
Community Education	446,659	2,289,316	2,287,899	448,076
Debt Service	1,111,621	5,075,969	5,069,273	1,118,317
Total Governmental Funds	\$ 6,869,574	\$ 52,383,721	\$ 52,076,735	\$ 7,176,560

General Fund Unassigned Fund Balance:	3,434,616.00	3,744,861.00
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Unassigned Balance as a Percent of Total Expense:	8.50%	8.65%
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Property Taxes-Levy Comparison

FUND	FINAL PAY 20	PROPOSED PAY 21	LEVY CHANGE
GENERAL	\$9,491,941	\$9,794,839	\$302,898
COMMUNITY EDUC.	\$ 319,905	\$ 297,876	\$ -22,029
DEBT SERVICE	\$5,022,219	\$5,059,916	\$ 37,697
TOTAL LEVY	\$14,834,065	\$15,152,631	\$318,565

Property Taxes-Levy Comparison

Levy Limitation and Certification Report

General Fund	<u>PAY 20 (Final)</u>	<u>PAY 21 (Prop.)</u>	<u>Levy Chg.</u>	Line
Equity Revenue	404,155.82	410,067.62	5,911.80	1
Referendum	3,660,181.61	3,697,928.84	37,747.23	2
Transition Revenue	21,220.24	21,325.06	104.82	3
Local Optional	2,568,486.29	2,626,689.47	58,203.18	4
Operating Capital	231,415.87	262,847.18	31,431.31	5
Alternative Pay (Q Comp)	322,945.63	322,883.50	-62.13	6
Re-employment	15,151.24	39,424.68	24,273.44	7
Safe Schools Levy	130,179.24	131,907.60	1,728.36	8
Safe Schools Intermediate	54,277.57	54,961.50	683.93	9
Career and Technical	55,110.91	55,473.02	362.11	10
Capital Projects	697,423.33	742,511.65	45,088.32	11
LTFM-Facilities Maint.	869,229.79	913,207.38	43,977.59	12
Lease Levy	364,149.00	351,687.00	-12,462.00	13
Integration Revenue	101,186.83	88,870.72	-12,316.11	14
Adjustments (Abatements)	-3,172.45	75,054.13	78,226.58	15
Total General Fund	9,491,940.92	9,794,839.35	302,898.43	
Community Service Fund	319,905.18	297,876.14	-22,029.04	16
Debt Service	5,022,219.41	5,059,915.33	37,695.92	17
Total Levy	14,834,065.51	15,152,630.82	318,565.31	

Levy components include prior year adjustments that result from the updating of estimates:
Property Valuation Data, Enrollment and Actual Expenditures



Property Taxes-Levy calculations

- Line 1 Equity revenue derived from the gap in Basic Aid plus referendum to the metro region average
- Line 2 Voter approved operating referendum \$1,020 *(Adjusted Pupil Units)
- Line 3 Transition revenue guarantees a district will not receive less money as a result of funding formula changes
- Line 4 Local Optional provides for \$724 *(Adjusted Pupil Units) Tier 1 @ \$300 Tier 2 @\$424**
- Line 5 Operating Capital is a combination of aid (68%) and levy (32%). Provides \$220.97 * (Adjusted Pupil Units)
- Line 6 Alternative Pay is a combination of aid (63%) and levy (37%). Provides \$260 * (Enrollment -Oct 1, 2019)
- Line 7 Provides revenue equal to the actual expenditure level of unemployment claims
- Line 8 Provides \$36 *(Adjusted Pupil Units) for expenditures associated with improving school climate
- Line 9 ISD# 832's proportionate share of Safe School Levy for Intermediate District 916
- Line 10 Reimbursement for expenditures related to Career and Technical Programming at the Secondary Level
- Line 11 Provides revenue in support of Tech (Infrastructure, Instruction and Support). Approved rate is 2.73% *NTC
- Line 12 Provides revenue for the maintenance of school building and grounds. \$380 * (Adjusted Pupil Units) * (Bldg Age Ratio)
- Line 13 Provides revenue in support of expenditures for leased facilities-Limited to \$212 * (Adjusted Pupil Units)
- Line 14 Provides revenue to pursue racial and economic integration and increase student achievement
- Line 15 Provides revenue as a result of changes in property valuations. Net change in 2019 was (\$104,642)
- Line 16 Levies for the support of various Community Educ. programs (School Age Childcare), (ECFE) etc.
- Line 17 Required levy for the amortization of School District Bonded debt

Drivers of Levy Increase

District Property Valuation

2018 Referendum Market Value	\$2,265,402,400	(2018 values used for Pay 20 levy formulas)
2019 Referendum Market Value	\$2,400,602,400	(2019 values used for Pay 21 levy formulas)
2018 Adjusted Net Tax Capacity	\$25,546,642	
2019 Adjusted Net Tax Capacity	\$27,198,229	

With the exception of our Capital Projects levy, an increase in property value does not provide additional revenue. The increase typically reduces state aid while increasing the levy portion.

Levy Comparison -(Loc. Opt. Example –Tier 1)

	FINAL PAY 20	PROPOSED PAY 21	CHANGE
Ex. Does not include levy adj. T1 only			
(1) Revenue-\$300 *Pupil Units	\$1,090,260	\$1,090,260	
(2) Referendum Mkt Value	\$2.265 m	\$2.40 m	
(2)/Res. P/U. /\$880,000			
(3) Levy Ratio for Tier 1	.93789	.99386	
Tier 1 Revenue *(3)			
(4) Levy Share	\$1,022,544	\$1,083,566	\$61,022
(5) State Aid	\$67,716	\$6,694	-\$61,022

Tax Impact Estimates-

Residential Homestead (SCHOOL TAXES ONLY)

Assume 4.31% increase in Market Value-(Provided by Wash. Co.)

Taxes Payable 2020

Tax Capacity Rate	29.96%
Ref Market Value Rate	0.26%

Taxes Payable 2021

Tax Capacity Rate	29.50%
Ref Market Value Rate	0.25%

Value	Tax Capacity	Amount	Market Value	Tax Capacity	Amount	\$ Tax Change	% Tax Change
\$250,000	\$2,500	\$1,397.04	\$260,775	\$2,608	\$1,429.99	\$32.95	2.36%
\$500,000	\$5,000	\$2,794.08	\$521,550	\$5,216	\$2,859.98	\$65.90	2.36%

Public Comment

Truth-in-Tax hearing requires time for Public questions/comments:

Board Action

Administration recommends approval of the Pay 21 Levy in the amount of \$15,152,630.82.

Pay 21 Levy provides funds for the fiscal year beginning July 1, 2021 or the 2021-22 school year.