

**ISD 308**  
**Nevis Public School District**

# **Truth in Taxation Presentation**

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FINANCIAL SOLUTIONS

# Truth in Taxation Requirements

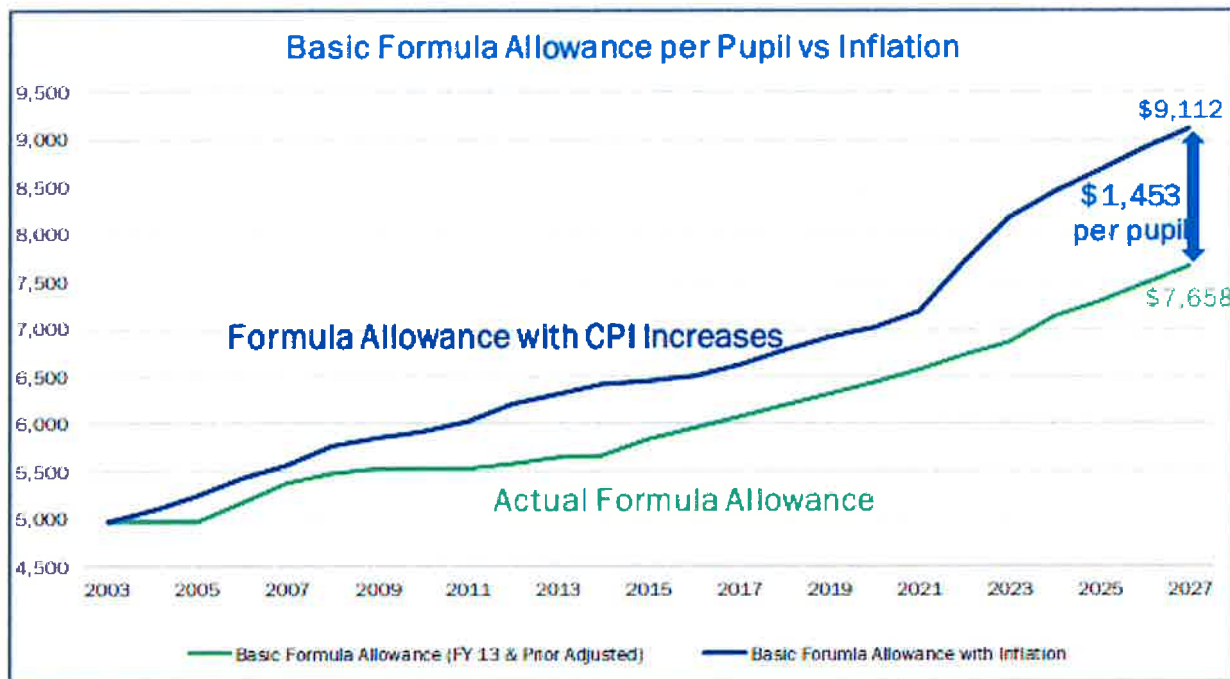
- MN Statutes 275.065
- Meeting must be held between November 25 and December 30 at 6pm or later
- May be a part of a regularly scheduled meeting
- Presentation must include discussion on:
  - Fiscal Year 2026 budget
  - Pay 2026 (fiscal year 2026-27) Proposed Tax Levy
- Must allow for public comments



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# Minnesota School Funding

Public school districts are funded by the federal government, state government, local fees and local taxpayers through property taxes with the state of Minnesota being the largest source of funding.



<sup>1</sup> Inflation is based on consumer price index

<sup>2</sup> Basic formula allowance includes changes made by legislature in 2023 and is adjusted for FY 2014 and earlier due to pupil weight changes

<sup>3</sup> FY 25-26 & FY 26-27 are based on estimated inflation forecasts updated in July 2025 by the State of Minnesota

# State Funding

Basic general formula has not kept up with state funding over the last 20+ years

$$\begin{array}{r}
 \$1,453 \text{ per pupil} \\
 \times \\
 661.40 \text{ Pupil Units (FY27)} \\
 = \\
 \$961,014.20
 \end{array}$$



# FY 2026 Budget



|         |         |         |         |         |         |         |         |         |        |         |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|---------|
| Feb     | Mar     | Apr     | May     | Jun     | Jul     | Aug     | Sep     | Oct     | Nov    | Dec     |
| 125,058 | 125,487 | 124,000 | 105,450 | 154,568 | 56,845  | 110,000 | 150,000 | 35,000  | 83,000 | 95,054  |
| 97,511  | 99,011  | 99,216  | 101,090 | 101,684 | 101,962 | 124,500 | 125,000 | 154,000 | 95,000 | 154,200 |
| 89,000  | 50,000  | 68,700  |         |         |         |         |         |         |        |         |

# FY 2026 Budget

Our school district is required to use a fund Accounting system; thus, we account for our revenues and expenditures using six separate funds.

\*Funds have a tax levy component.

| Fund Number | Fund Name                  | Common Purposes   |
|-------------|----------------------------|---|
| *01         | General Fund               | General operating costs, such as teacher salaries, administrative costs, and textbooks and equipment. |
| 02          | Food Service Fund          | Funds for nutrition programs – primarily school breakfast and lunch.                                  |
| *04         | Community Service Fund     | Funds for community education programs, such as school readiness and adult basic education.           |
| 06          | Building Construction Fund | Funds for the building construction program.  |
| *07         | Debt Service Fund          | Funds to pay principal and interest on outstanding bonds.   |
| Varies      | Internal Service           | Commonly include health and dental plans.   |

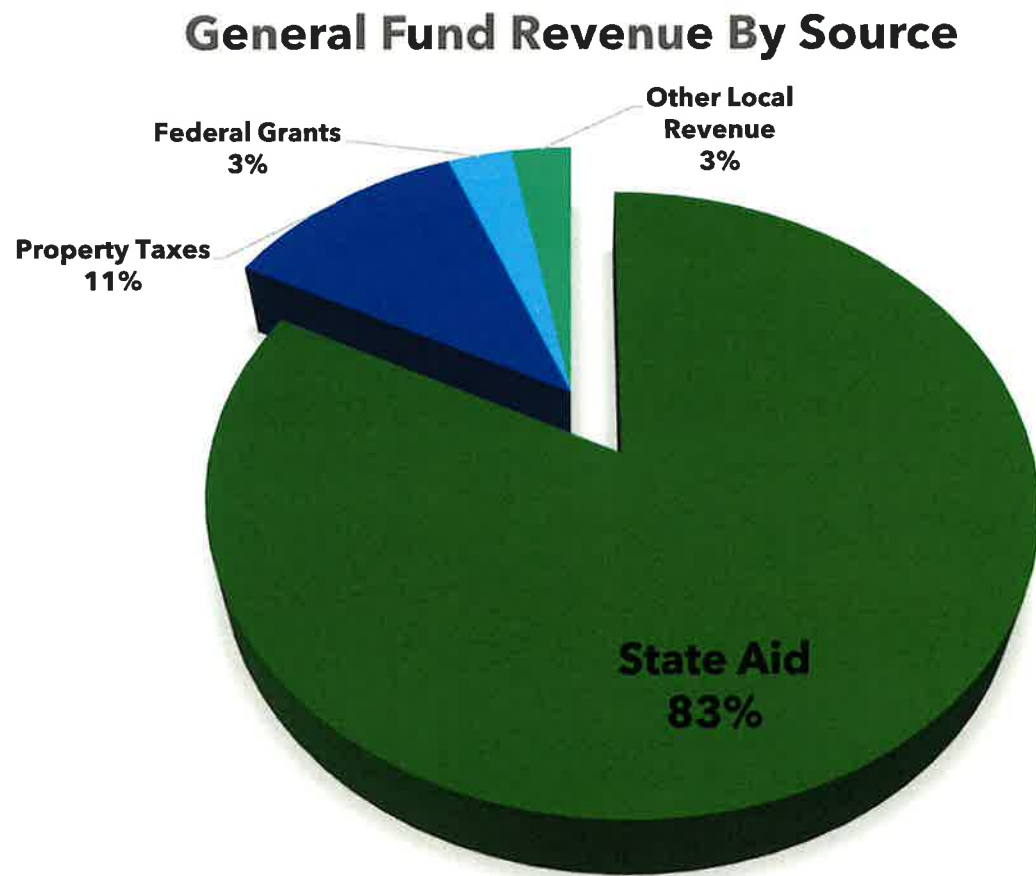


# Budget Overview

## 2026 Budget Summary

| <u>Fund</u>       | <u>Revenue</u>       | <u>Expense</u>      | <u>Surplus/(Deficit)</u> |
|-------------------|----------------------|---------------------|--------------------------|
| General           | \$ 9,167,628         | \$ 8,929,527        | \$ 238,101               |
| Food Service      | \$ 414,680           | \$ 471,836          | \$ (57,156)              |
| Community Service | \$ 130,775           | \$ 148,223          | \$ (17,448)              |
| Debt Service      | \$ 351,971           | \$ 358,350          | \$ (6,379)               |
| Student Activity  | \$ 50,000            | \$ 50,000           | \$ -                     |
| <b>Total</b>      | <b>\$ 10,115,054</b> | <b>\$ 9,957,936</b> | <b>\$ 157,118</b>        |

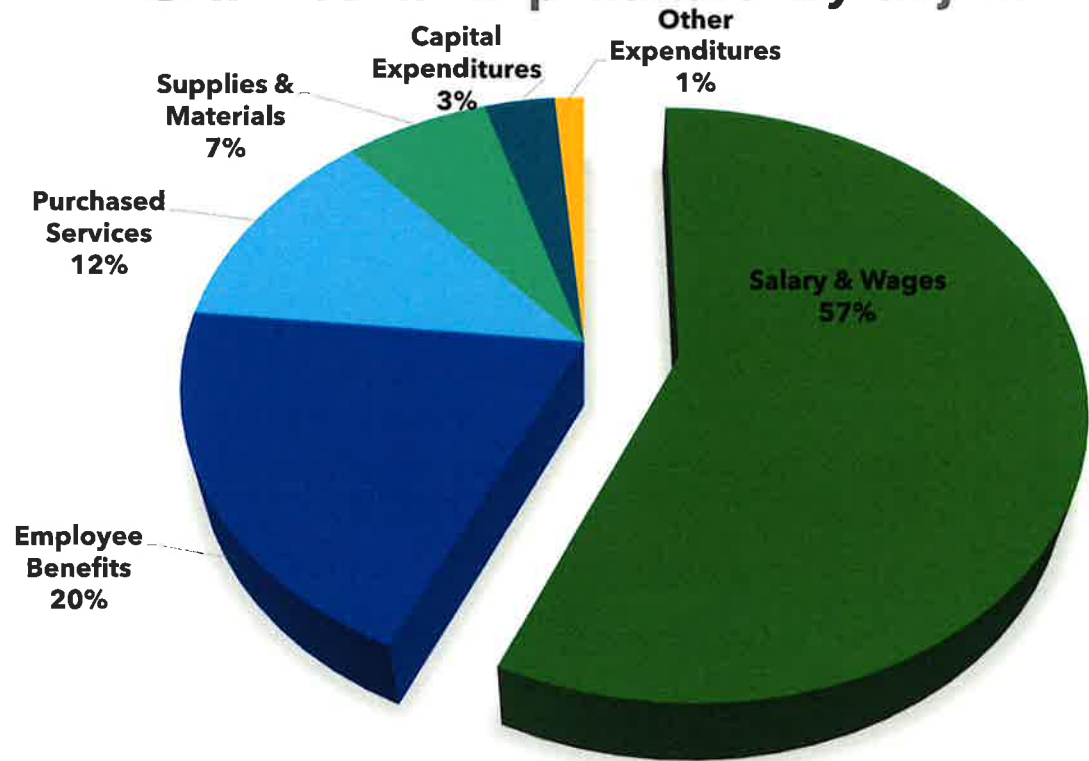
# FY 2026 Revenues by Source





# FY 2026 Expenditures by Object

**General Fund Expenditures by Object**



# School District Financial Highlights



BOND  
RATING



FINANCIAL  
REPORTING AWARDS



AUDIT OPINION



BUSINESS OFFICE  
TEAM

# 2026 Property Tax Levy

# School District Tax Levy Timeline

| Summer  | September   | November 4   | November 25<br>- December 30  | 2026  |
|---|---|--|---|---|
| Information provided to the State for preliminary levy calculations | Preliminary levy certification by school board. Typically certify to the "max." | Hold elections; elections for bonds or levies can cause the final levy to be higher than the preliminary levy set in September | School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2026 | Property taxes collected by counties and distributed to the school district |

# Levy Overview

## Nevis Public School District Proposed Property Tax Levy Summary by Fund

|  | Final<br>Pay 2025 | Proposed<br>Pay 2026 | \$ Change       | % Change      |
|--|-------------------|----------------------|-----------------|---------------|
| <b>General Fund (Fund 1)</b>             |                   |                      |                 |               |
| Local Optional                           | 398,836           | 414,882              | 16,046          | 4.0%          |
| Equity                                   | 106,193           | 109,255              | 3,062           | 2.9%          |
| Transition                               | 35,831            | 36,833               | 1,002           | 2.8%          |
| Operating Capital                        | 103,016           | 117,208              | 14,193          | 13.8%         |
| Reemployment Insurance                   | -                 | 492                  | 492             | -             |
| Safe Schools                             | 23,162            | 23,810               | 648             | 2.8%          |
| Career & Technical                       | 47,355            | 46,238               | (1,117)         | -2.4%         |
| Long Term Facilities Maintenance         | 212,790           | 221,210              | 8,420           | 4.0%          |
| Building/Land Lease                      | 85,000            | 85,000               | -               | 0.0%          |
| Tree Growth                              | 1,661             | 1,661                | -               | 0.0%          |
| <i>Adjustments and Abatements</i>        | 1,283             | 46,862               | 45,579          | 3552.6%       |
| <b>General Fund Total Levy</b>           | <b>1,015,127</b>  | <b>1,103,451</b>     | <b>88,324</b>   | <b>8.7%</b>   |
| <b>Community Service (Fund 4)</b>        |                   |                      |                 |               |
| Basic Community Education                | 21,771            | 21,771               | -               | 0.0%          |
| Early Childhood Education                | 21,126            | 21,204               | 78              | 0.4%          |
| Home Visiting                            | 488               | 498                  | 10              | 1.9%          |
| <i>Adjustments and Abatements</i>        | (197)             | (1,883)              | (1,685)         | -             |
| <b>Community Service Fund Total Levy</b> | <b>43,189</b>     | <b>41,591</b>        | <b>(1,598)</b>  | <b>-3.7%</b>  |
| <b>Debt Service Fund (Fund 7)</b>        |                   |                      |                 |               |
| Voter Approved Debt Service              | 284,556           | 289,596              | 5,040           | 1.8%          |
| Non-Voter Approved Debt Service          | 94,590            | 35,018               | (59,572)        | -63.0%        |
| <i>Adjustments and Abatements</i>        | (48,318)          | (45,514)             | 2,804           | -             |
| <b>Debt Service Fund Total Levy</b>      | <b>330,828</b>    | <b>279,100</b>       | <b>(51,728)</b> | <b>-15.6%</b> |
| <b>Total Property Tax Levy All Fund</b>  | <b>1,389,144</b>  | <b>1,424,142</b>     | <b>34,999</b>   | <b>2.52%</b>  |



## Levy Highlights

# Major Changes

Local  
Optional

+\$16,046

Increase due to slight budgeted enrollment growth.

Adjustment  
and  
Abatements

+\$45,579

Multiple prior year adjustments to LTFM, Local Optional, and other general levy amounts.

Debt Service

-\$51,728

Decrease largely due to the payoff of the capital facilities bonds in fiscal year 2026.

### Property Value % Increase Trend

■ Referendum Market Value ■ Net Tax Capacity

40.00%  
35.00%  
30.00%  
25.00%  
20.00%  
15.00%  
10.00%  
5.00%  
0.00%

|                         | Pay 2018 | Pay 2019 | Pay 2020 | Pay 2021 | Pay 2022 | Pay 2023 | Pay 2024 | Pay 2025 | Est. Pay 2026 |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|---------------|
| Referendum Market Value | 2.06%    | 4.02%    | 10.27%   | 4.80%    | 6.45%    | 33.13%   | 10.18%   | 4.86%    | 10.73%        |
| Net Tax Capacity        | 0.54%    | 3.34%    | 7.62%    | 2.93%    | 3.97%    | 35.14%   | 8.00%    | 6.63%    | 12.09%        |

### Two Types of Tax Valuations

#### 1. Net Tax Capacity (NTC)

- Most all property types pay on this amount
- 2026 NTC: 813,305

#### 2. Referendum Market Value (RMV)

- **EXCLUDES** Ag Land and Seasonal Rec properties
- 2026 RMV: 610,837

2026 Total Levy Amount:

\$1,424,142.32

## Valuation History

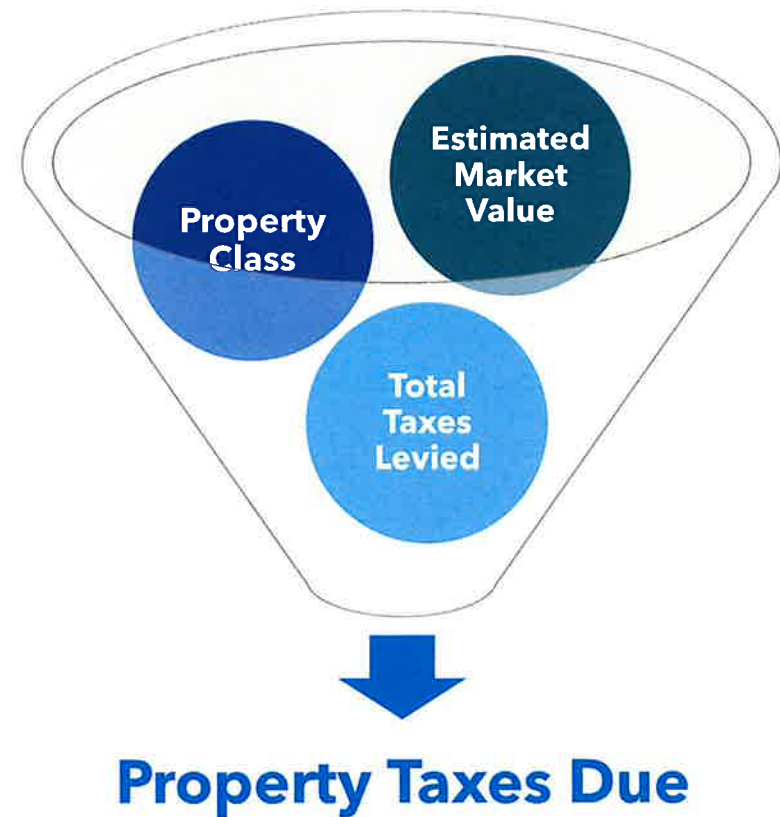
# Timeline for Taxpayers

| March 2025  | Spring/Early Summer   | November 10 - 24, 2025  | November 25 - December 30, 2025   | March 2026  |
|---|---|---|---|---|
| Taxpayers received preliminary valuations notice from county for taxes payable the following year | Local and county board of appeal and equalization meetings held providing taxpayers opportunity to challenge property valuations. | Counties deliver mailed notice of proposed property taxes to each taxpayer. | School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2026 | Taxpayers receive tax statement from counties for taxes payable in 2026 |

# Calculating Property Taxes

## 3 Key Variables

1. **Estimated Market Value**  
established for each parcel  
by Assessor
2. **Property Classification**  
rates established by state  
legislature
3. **Tax levy** established by  
taxing jurisdictions (School,  
City, County and others)



# Dividing the Property Tax Pie

Property values do not rise uniformly across all properties

The burden of the levy shifts from taxpayers with lower increases to those with higher increases.

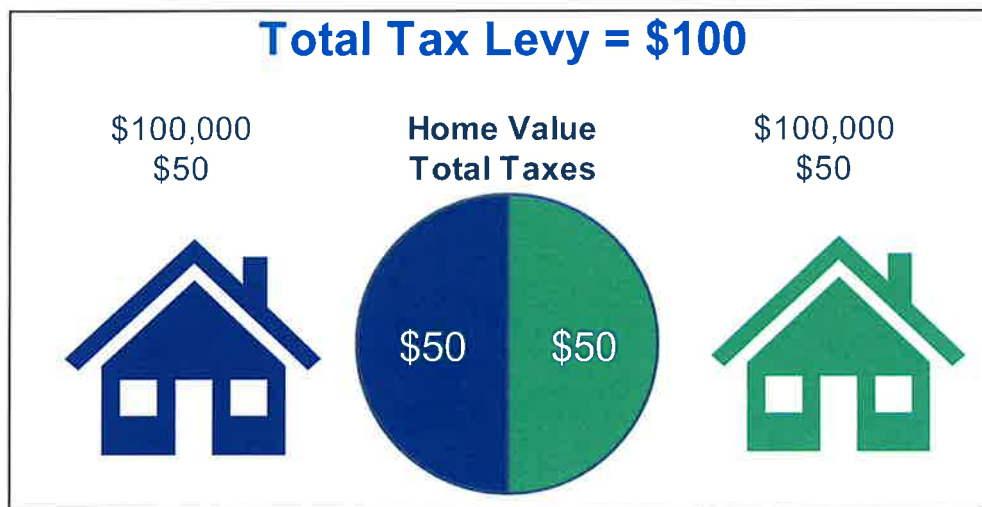
Higher increase =  
Larger piece of the property tax pie.



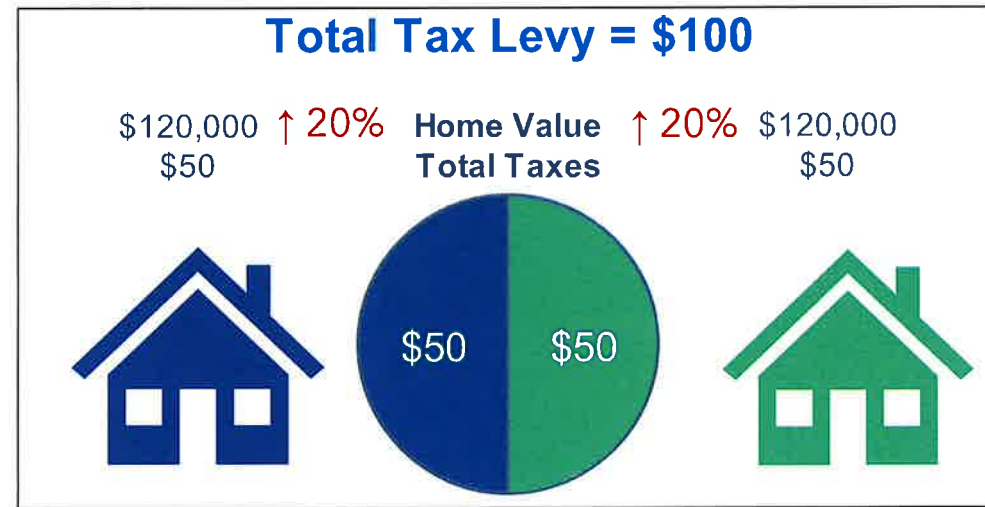


# Impact of Valuation Changes

Current



Home Values Up Equal 20%



No change in tax burden

# Impact of Valuation Changes

Current

**Total Tax Levy = \$100**

\$100,000  
\$50

Home Value  
Total Taxes

\$100,000  
\$50



Home Value Changes Vary

**Total Tax Levy = \$100**

\$110,000  
\$42

↑ 10%

Home Value  
Total Taxes

↑ 40%

\$140,000  
\$58

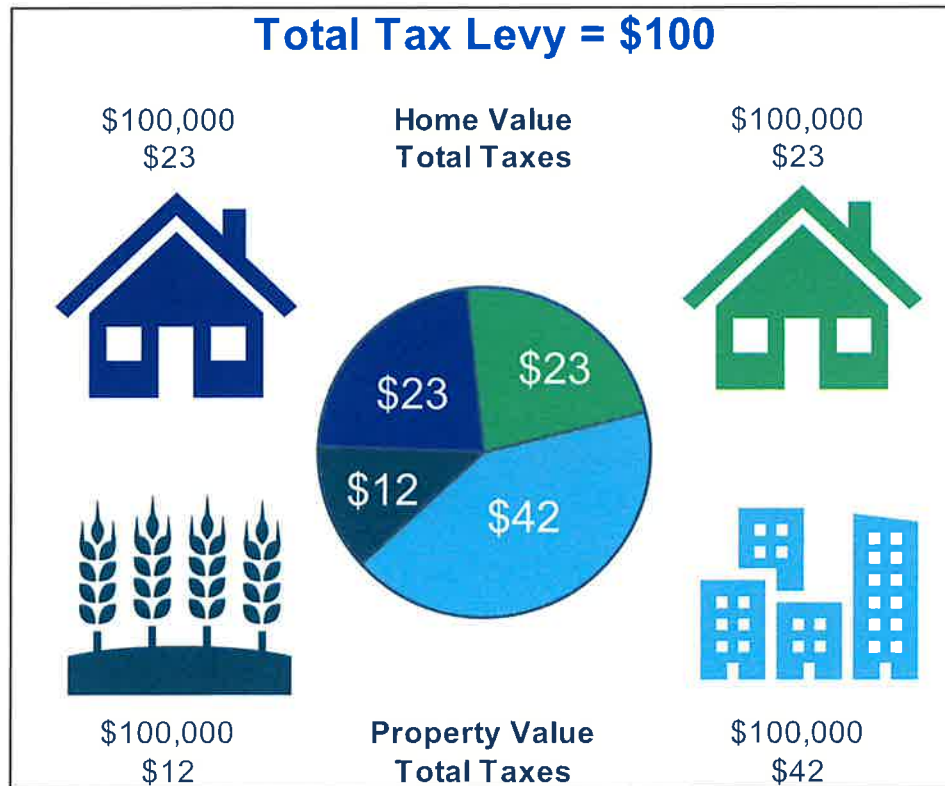


Same Levy, Shift in Tax Burden

# Shift from Commercial to Residential

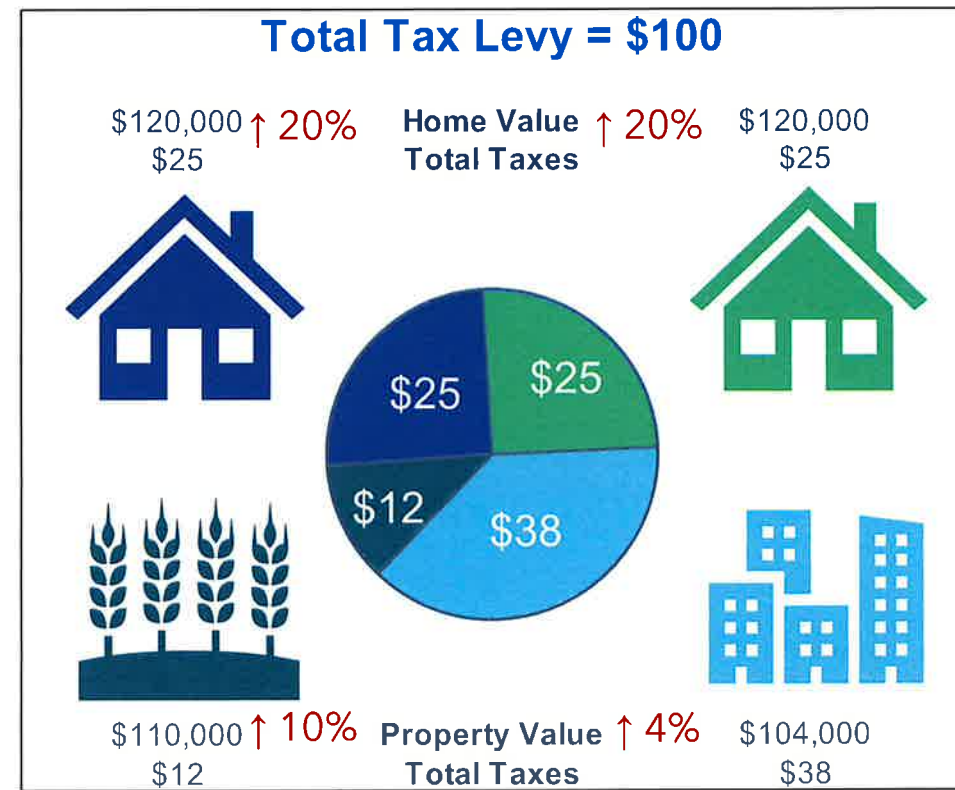
Current

**Total Tax Levy = \$100**



Value Changes Vary

**Total Tax Levy = \$100**

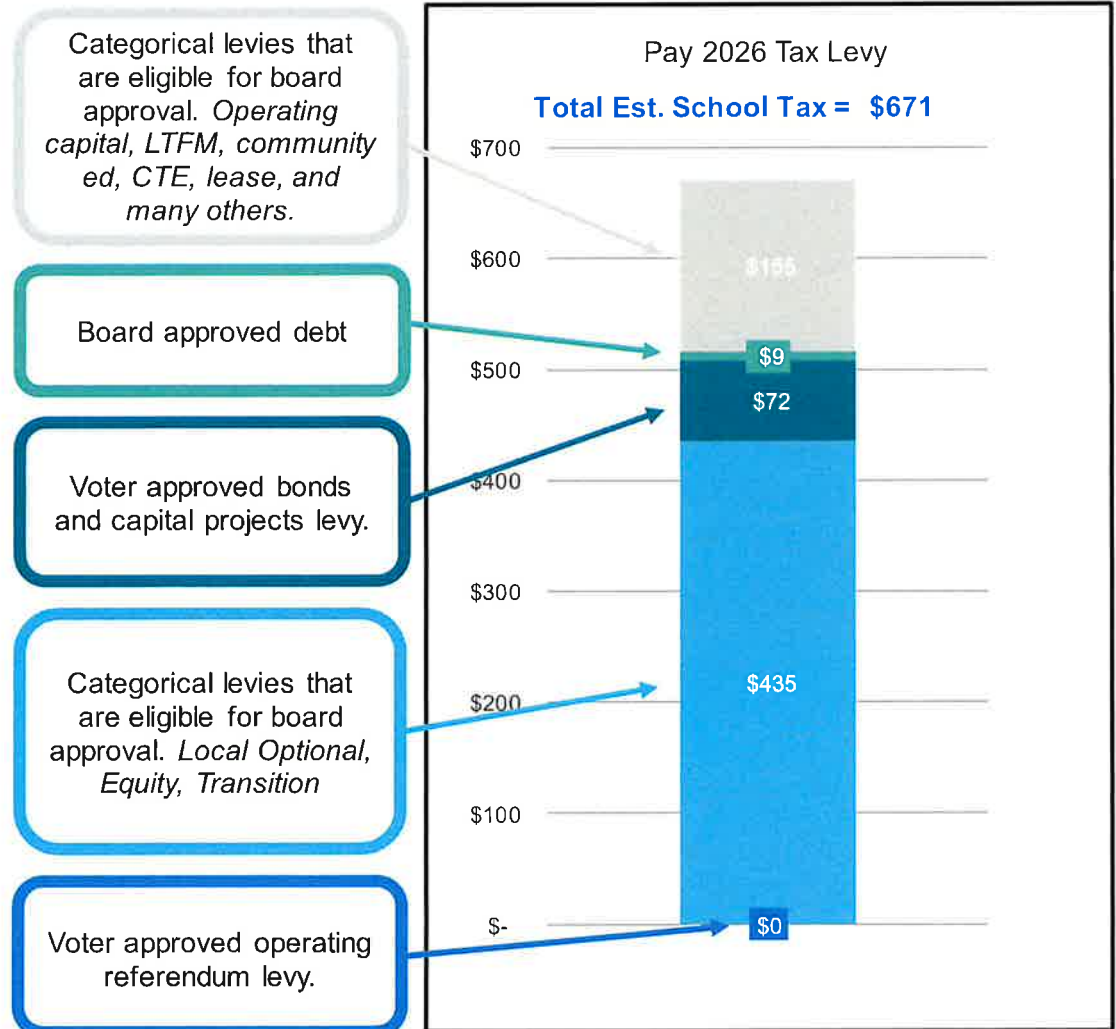


# Est. Pay 2026 Tax for Residential

## Nevis Public School District

Estimated Pay 2026 Total School Taxes for Residential Homestead

Home Value = \$375,000



# Estimated Tax Impacts

**Residential,  
Commercial and  
Seasonal  
Recreational with  
10.7% Increase**

**Agricultural with  
12.1% increase**

## Nevis Public School District

### Estimated Tax Impacts - Pay 2026 Levy Total School Taxes

| Summary                 |                |                |          |  |
|-------------------------|----------------|----------------|----------|--|
|                         | Pay 2025       | Est. Pay 2026  | % Change |  |
| Referendum Market Value | \$ 475,232,128 | \$ 526,224,301 | 10.73%   |  |
| RMV Tax Rate            | 0.12777%       | 0.11608%       | -9.15%   |  |
| Net Tax Capacity        | \$ 11,139,493  | \$ 12,486,493  | 12.09%   |  |
| NTC Tax Rate            | 7.02%          | 6.51%          | -7.15%   |  |

| Types of Property   | Pay 2025 Value | Pay 2026 Est. Value | Pay 2025 | Pay 2026 | \$ Change | % Change |
|---|----------------|---------------------|----------|----------|-----------|----------|
| <b>Residential Homestead</b><br>(Value Increase 10.7%)                      | \$203,300      | \$225,000           | \$383    | \$391    | \$8       | 2.11%    |
|   | 248,400        | 275,000             | 475      | 484      | 9         | 2.00%    |
|   | 293,600        | 325,000             | 567      | 578      | 11        | 1.88%    |
|   | 338,800        | 375,000             | 659      | 671      | 12        | 1.81%    |
|   | 383,900        | 425,000             | 751      | 765      | 13        | 1.78%    |
|   | 474,300        | 525,000             | 936      | 955      | 19        | 2.08%    |
|   | 564,600        | 625,000             | 1,129    | 1,153    | 24        | 2.14%    |
| <b>Commercial / Industrial**</b><br>(Value Increase 10.7%)                  | \$90,300       | \$100,000           | \$210    | \$214    | \$3       | 1.61%    |
|   | 225,800        | 250,000             | 553      | 567      | 14        | 2.59%    |
|   | 451,700        | 500,000             | 1,158    | 1,183    | 25        | 2.13%    |
|   | 903,300        | 1,000,000           | 2,369    | 2,415    | 46        | 1.93%    |
| <b>Seasonal Recreational Residential (Cabins)</b><br>(Value Increase 10.7%) | \$248,400      | \$275,000           | \$174    | \$179    | \$5       | 2.79%    |
|   | 338,800        | 375,000             | 238      | 244      | 7         | 2.77%    |
|   | 383,900        | 425,000             | 269      | 277      | 8         | 2.79%    |
|   | 564,600        | 625,000             | 407      | 427      | 20        | 4.92%    |
| <b>Agricultural Homestead</b><br>(Value Increase 12.1%)                     | \$2,700        | \$3,000             | \$0.67   | \$0.74   | \$0.08    | 11.39%   |
|   | 3,600          | 4,000               | 0.89     | 0.99     | 0.10      | 11.39%   |
|   | 4,500          | 5,000               | 1.11     | 1.24     | 0.13      | 11.39%   |
|   | 5,400          | 6,000               | 1.33     | 1.48     | 0.15      | 11.39%   |
| <b>Agricultural Non-Homestead</b><br>(Value Increase 12.1%)                 | \$2,700        | \$3,000             | \$1.33   | \$1.48   | \$0.15    | 11.39%   |
|   | 3,600          | 4,000               | 1.78     | 1.98     | 0.20      | 11.39%   |
|   | 4,500          | 5,000               | 2.22     | 2.47     | 0.25      | 11.39%   |
|   | 5,400          | 6,000               | 2.67     | 2.97     | 0.30      | 11.39%   |



## Nevis Public School District

### Estimated Tax Impacts - Pay 2026 Levy Total School Taxes

| Summary                 |                |                |          |
|-------------------------|----------------|----------------|----------|
|                         | Pay 2025       | Est. Pay 2026  | % Change |
| Referendum Market Value | \$ 475,232,128 | \$ 526,224,301 | 10.73%   |
| RMV Tax Rate            | 0.12777%       | 0.11608%       | -9.15%   |
| Net Tax Capacity        | \$ 11,139,493  | \$ 12,486,493  | 12.09%   |
| NTC Tax Rate            | 7.02%          | 6.51%          | -7.15%   |

| Property Value Increase |
|-------------------------|
| 0%                      |

| Types of Property     | Pay 2025 Value | Pay 2026 Est. Value | Pay 2025 | Pay 2026 | \$ Change | % Change |
|-----------------------|----------------|---------------------|----------|----------|-----------|----------|
| Residential Homestead | \$203,300      | \$203,300           | \$383    | \$350    | (\$33)    | -8.51%   |
|                       | 248,400        | 248,400             | 475      | 434      | (40)      | -8.49%   |
|                       | 293,600        | 293,600             | 567      | 519      | (48)      | -8.47%   |
|                       | 338,800        | 338,800             | 659      | 603      | (56)      | -8.46%   |
|                       | 383,900        | 383,900             | 751      | 688      | (64)      | -8.46%   |
|                       | 474,300        | 474,300             | 936      | 857      | (79)      | -8.44%   |
|                       | 564,600        | 564,600             | 1,129    | 1,034    | (95)      | -8.43%   |

**Estimated Tax Impacts**  
**0% Increase in Values**

| Property Value Increase |
|-------------------------|
| 12%                     |

| Types of Property     | Pay 2025 Value | Pay 2026 Est. Value | Pay 2025 | Pay 2026 | \$ Change | % Change |
|-----------------------|----------------|---------------------|----------|----------|-----------|----------|
| Residential Homestead | \$203,300      | \$227,696           | \$383    | \$396    | \$13      | 3.42%    |
|                       | 248,400        | 278,208             | 475      | 490      | 15        | 3.26%    |
|                       | 293,600        | 328,832             | 567      | 585      | 18        | 3.15%    |
|                       | 338,800        | 379,456             | 659      | 680      | 20        | 3.08%    |
|                       | 383,900        | 429,968             | 751      | 774      | 23        | 3.01%    |
|                       | 474,300        | 531,216             | 936      | 968      | 32        | 3.39%    |
|                       | 564,600        | 632,352             | 1,129    | 1,167    | 39        | 3.42%    |

## Estimated Tax Impacts 12% Increase in Values

# Other Taxpayer Resources

- Minnesota Homestead Property Tax Refund
- Special Property Tax Refund Program
- Senior Citizen Property Tax Deferral
- Disable Veteran's Homestead Property Tax Exclusion
- Blind or Disabled Special Homestead Classification
- Green Acres and Rural Preserve

# Levy Certification

Recommended Levy  
Certification Amount

\$1,424,142.32



# Public Comments