

# Public Meeting for Taxes Payable in 2016

*Rochel Manders, Director of Business Services*

*December 10, 2015*



# Truth in Taxation Law

## Requirements:

- Discussion of proposed property tax levy for taxes payable in 2016
- Current year budget must be discussed
- Must allow for public comment and question

- Minnesota Statute 275.065



# Proposed Taxes Payable in 2016



# Levy Cycle Comparison

	2015												2016												2017													
	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
Legislation																																						
Tax Levy Decision																																						
Collection of Levy																																						
Budget Year																																						

# Property Tax Jurisdictions

- Includes taxes for cities, township, counties and schools where the property is located
- Each jurisdiction sets its own levy and follows specific limits set by state law
- County sends out the bills, collects the taxes and distributes revenue back to each jurisdiction



# Authority for School Levies

A school district tax levy must be either:

Voter approved

or

Set by state law



# Legislative Changes That Affect the 2016 Levy

The 2015 Legislature approved changes in school funding formulas for levies payable in 2016

- **Added Long Term Facilities Maintenance Revenue for FY17**
  - Based on Commissioner's School Facilities Working Group recommendations
  - Reduces disparities in opportunities to fund costs of facilities maintenance projects
  - A 10-year, board approved plan is required to receive revenue
  - Replaces the health& safety and deferred maintenance revenue programs
- **Increased General Ed Revenue by 2% for FY16 & FY17**
- **Increase in Market Values of 8.9%**



# Changes in Estimated Market Value

Levy Year	Market Value	Change	Net Percent Change
2011	\$1,998,744,356	\$173,337,644	8.0%
2012	1,871,827,700	-126,916,656	-6.3%
2013	1,771,070,400	-100,757,300	-5.4%
2014	1,781,601,200	10,530,800	0.6%
2015	1,924,499,932	142,898,732	8.0%
<b>2016</b>	<b>2,096,640,800</b>	<b>172,140,868</b>	<b>8.9%</b>

*\*Source: Washington County*





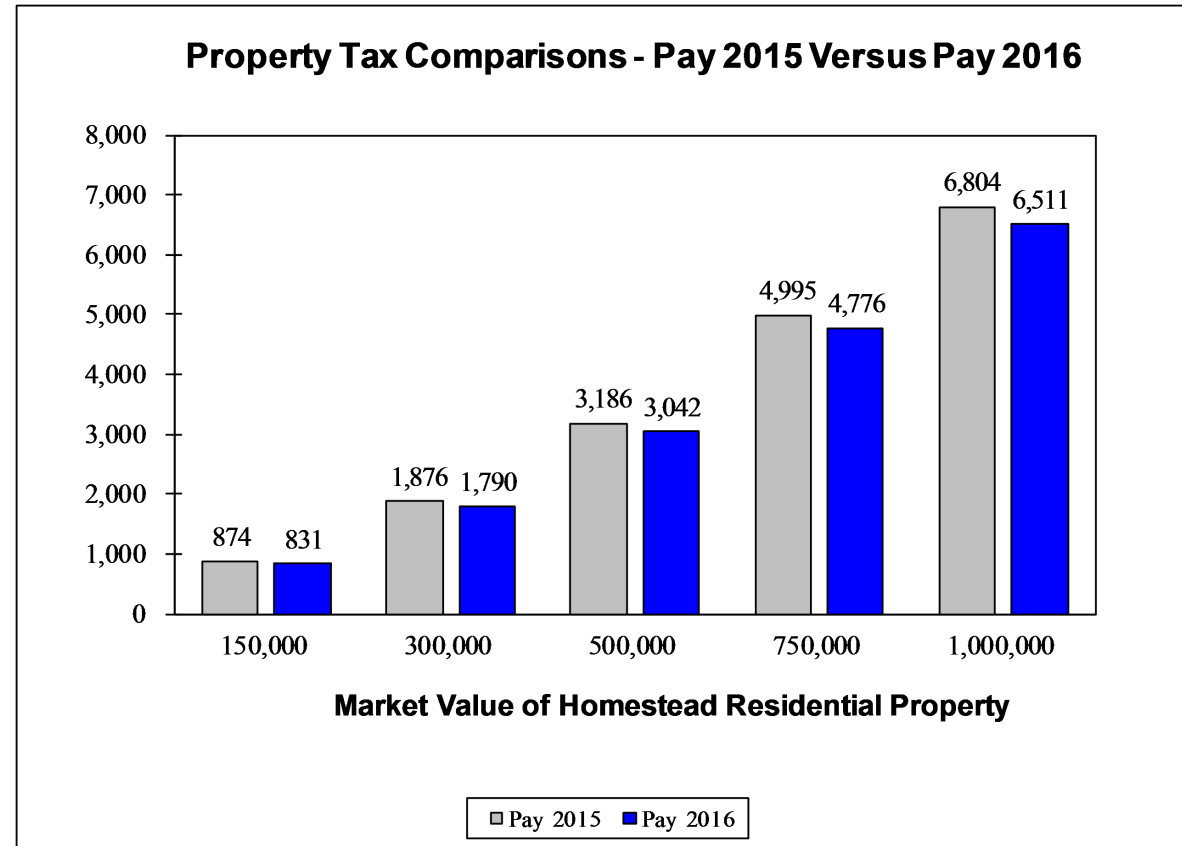
# Proposed Tax Levy Payable in 2016

Funds	Certified Payable 2015 (\$)	Proposed Levy Payable 2016 (\$)	Difference from Pay 2015 (\$)
<b>General Fund</b>			
Referendum	2,705,726	2,709,891	4,165
Local Optional Revenue	1,542,512	1,544,886	2,374
Equity	400,953	441,194	40,241
Transition	21,137	21,169	33
Board Approved Referendum Revenue	868,034	889,581	21,547
Student Achievement (Gen Ed)	66,662	67,023	361
Operating Capital	299,820	327,657	27,837
Alternative Teacher Compensation	277,547	302,490	24,944
Integration	71,868	84,458	12,590
Reemployment Insurance	9,000	10,000	1,000
Safe Schools	176,443	178,536	2,093
Career Technical	43,897	46,977	3,080
Capital Project Referendum	538,934	580,493	41,559
Health and Safety	118,189	0	(118,189)
Deferred Maintenance	168,808	0	(168,808)
LT Facilities		402,670	402,670
Lease	139,110	244,096	104,986
General Fund Adjustments	236,804	142,109	(94,695)
<b>Total General Fund</b>	<b>7,685,445</b>	<b>7,993,233</b>	<b>307,788</b>
<b>Community Service</b>	262,848	247,848	(15,001)
<b>Debt Service</b>	4,922,848	4,923,844	996
<b>OPEB Debt Service</b>	347,563	338,325	(9,238)
<b>Total Proposed Levy</b>	<b>13,218,704</b>	<b>13,503,249</b>	<b>284,545</b>
<b>Percent Decrease over Pay 2015</b>			<b>2.15%</b>



# Property Tax Comparisons

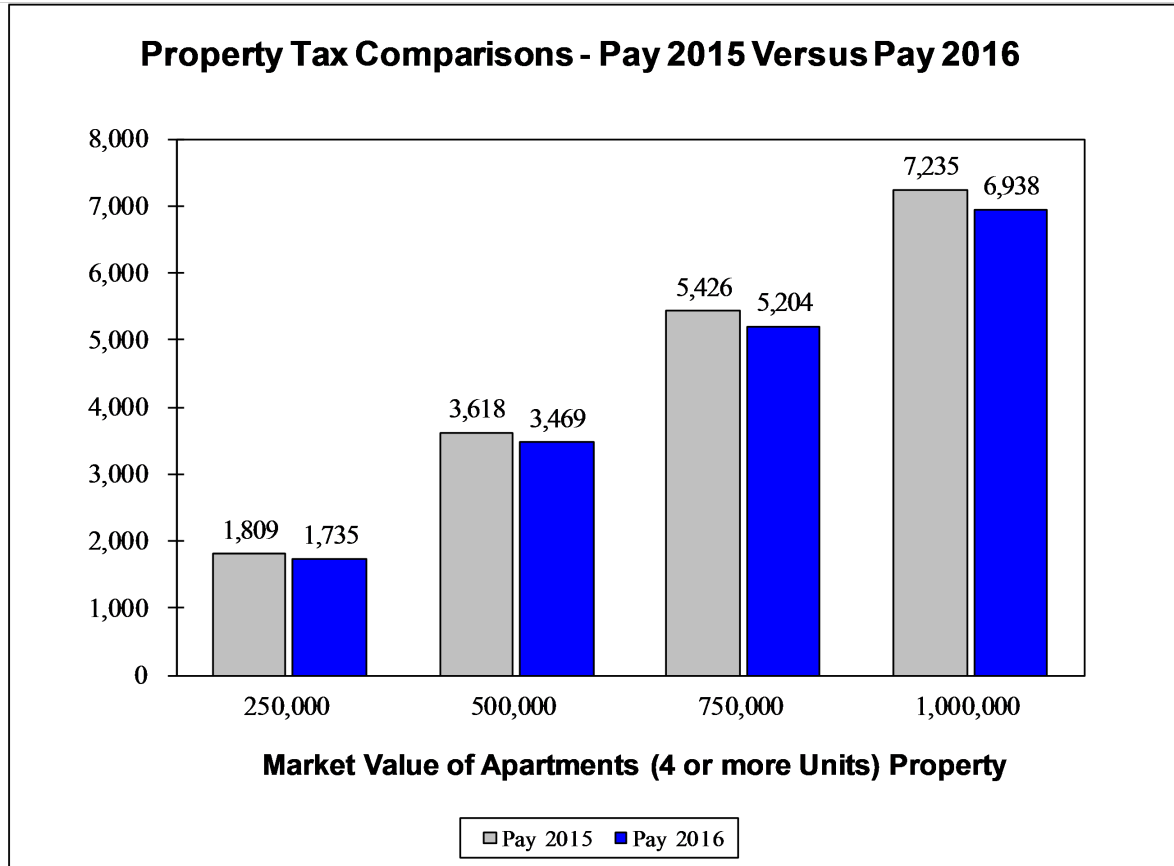
## Pay 2015 versus pay 2016



Market Value of Property	Pay 2015	Pay 2016	Increase/ (Decrease)
150,000	874	831	(43)
300,000	1,876	1,790	(87)
500,000	3,186	3,042	(145)
750,000	4,995	4,776	(219)
1,000,000	6,804	6,511	(293)

# Property Tax Comparisons

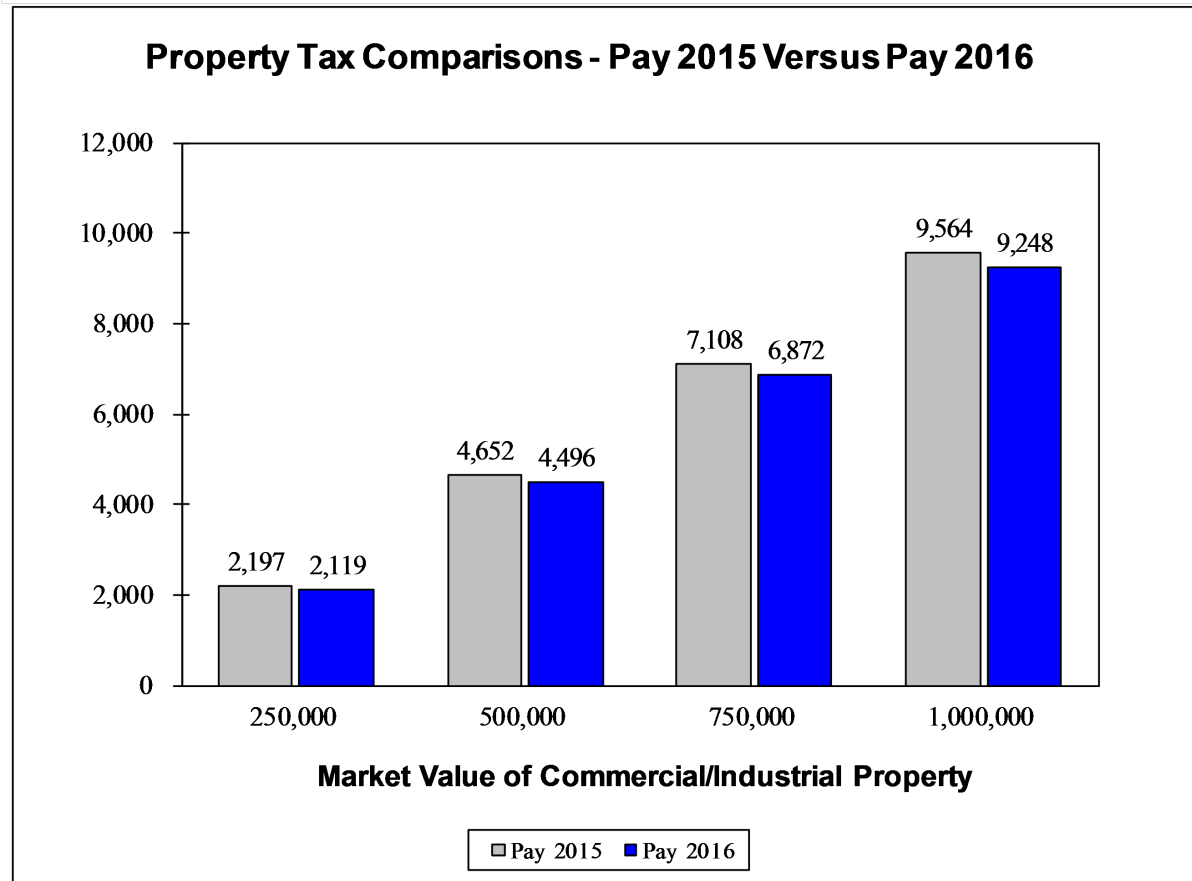
## Pay 2015 versus pay 2016



Market Value of Property	Pay 2015	Pay 2016	Increase/ (Decrease)
250,000	1,809	1,735	(74)
500,000	3,618	3,469	(148)
750,000	5,426	5,204	(222)
1,000,000	7,235	6,938	(297)

# Property Tax Comparisons

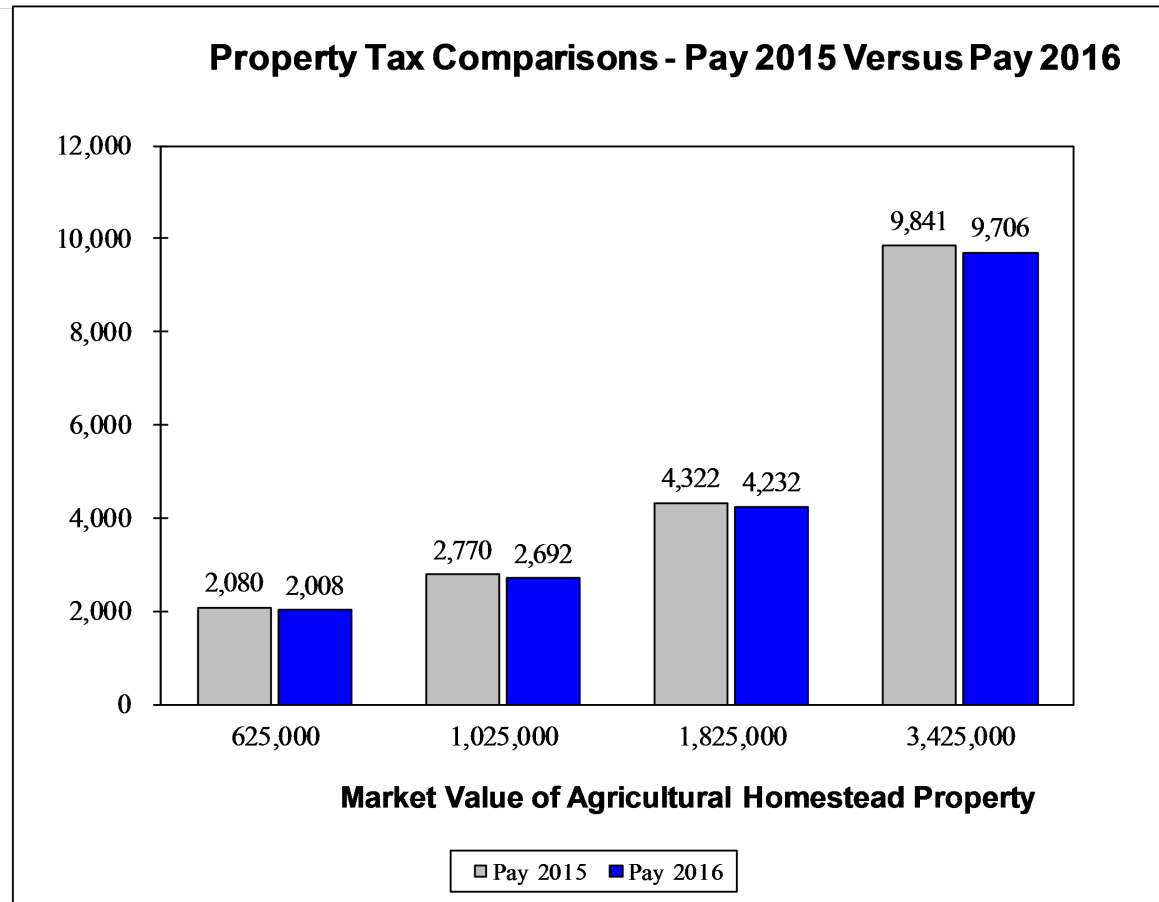
Pay 2015 versus pay 2016



Market Value of Property	Pay 2015	Pay 2016	Increase/ (Decrease)
250,000	2,197	2,119	(77)
500,000	4,652	4,496	(157)
750,000	7,108	6,872	(236)
1,000,000	9,564	9,248	(316)

# Property Tax Comparisons

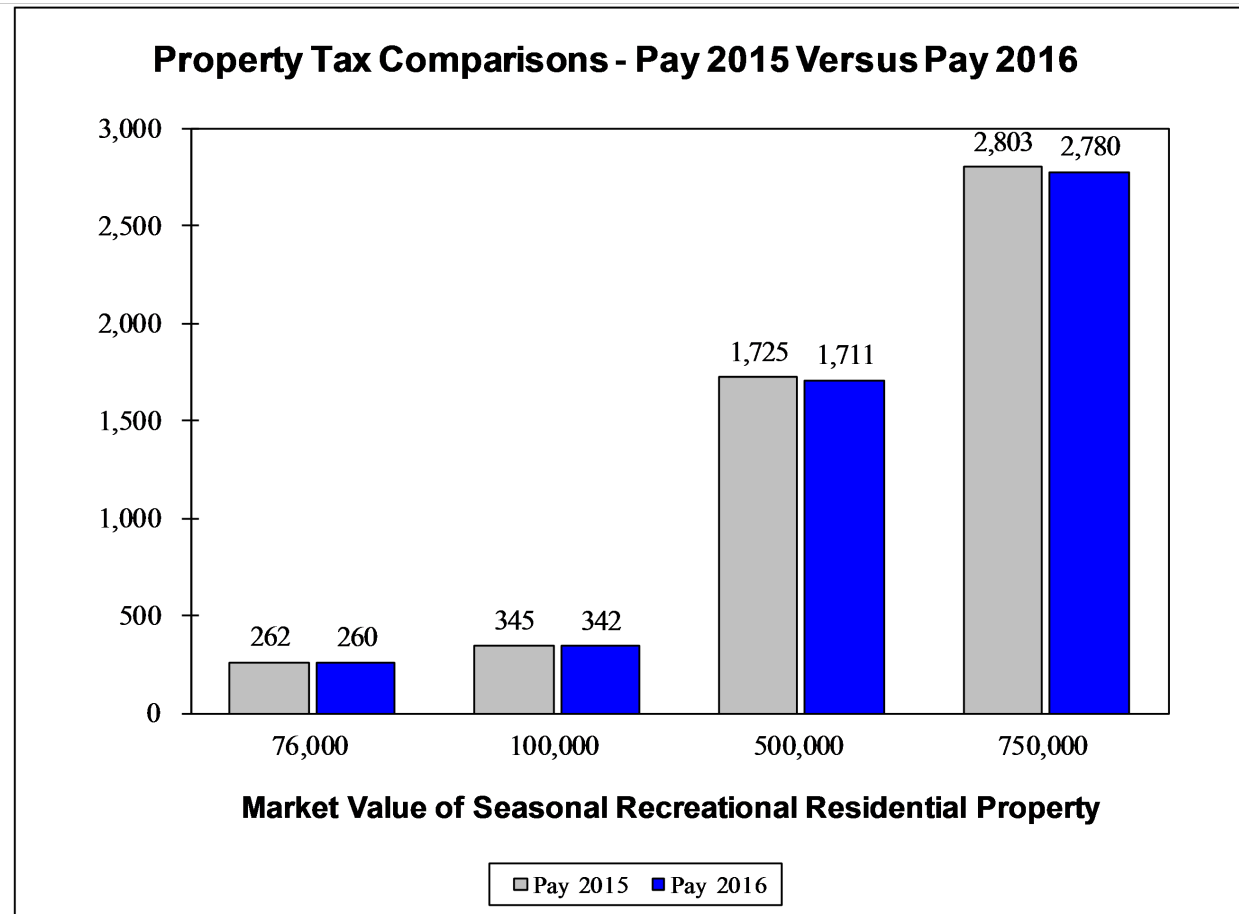
## Pay 2015 versus pay 2016



Acres	Market Value of Property	Pay 2015	Pay 2016	Increase/ (Decrease)
80	625,000	2,080	2,008	(72)
160	1,025,000	2,770	2,692	(77)
320	1,825,000	4,322	4,232	(90)
640	3,425,000	9,841	9,706	(136)

# Property Tax Comparisons

Pay 2015 versus pay 2016



Market Value of Property	Pay 2015	Pay 2016	Increase/ (Decrease)
76,000	262	260	(2)
100,000	345	342	(3)
500,000	1,725	1,711	(14)
750,000	2,803	2,780	(23)

# School District Budget



# General Fund Changes in Basic Per Pupil Allowance 2005-2016

## General Fund Changes in Basic Per Pupil Allowance

Year	Gross Formula Allowance	Increase	Net Percent Change
2005-06	\$ 4,783	\$182	4.0%
2006-07	\$ 4,974	\$191	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 *	\$80	1.5%
2015-16	\$ 5,948	\$117	2.0%
2016-17	\$ 6,067	\$119	2.0%

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.





# Fiscal Year 2015-16 Budget

73% of gen fund revenues

Revenues	General Fund	Food Service Fund	Community Ed. Fund	Debt Fund	Proprietary Fund	OPEB	Total
Levy	7,785,444	-	333,178	5,086,752	-	347,563	13,552,937
State Aid	26,426,742	58,200	49,198	-	-	-	26,534,140
Federal Aid	692,017	309,600	-	-	-	-	1,001,617
Other	632,700	1,057,000	1,439,864	-	4,605,984	20,000	7,755,548
Student Activities	860,000	-	-	-	-	-	860,000
<b>Total Revenues</b>	<b>36,396,903</b>	<b>1,424,800</b>	<b>1,822,240</b>	<b>5,086,752</b>	<b>4,605,984</b>	<b>367,563</b>	<b>49,704,242</b>

73% of ALL fund revenues

80% of gen fund expenses

Expenses	General Fund	Food Service Fund	Community Ed. Fund	Debt Fund	Proprietary Fund	OPEB	Total
Salaries/Benefits	28,946,995	126,060	1,202,228	-	-	-	30,275,283
Purchased Services	4,187,087	611,335	383,099	-	-	-	5,181,521
Supplies	1,175,420	676,000	62,750	-	-	-	1,914,170
Capital Expenditures	1,197,809	55,550	9,500	-	-	-	1,262,859
Debt Service	-	-	-	4,899,523	-	329,008	5,228,531
Other Expenditures	197,161	-	14,345	-	4,650,597	380,250	5,242,353
Student Activities	1,051,611	-	-	-	-	-	1,051,611
<b>Total Expenses</b>	<b>36,756,083</b>	<b>1,468,945</b>	<b>1,671,922</b>	<b>4,899,523</b>	<b>4,650,597</b>	<b>709,258</b>	<b>50,156,328</b>

**Budget Balance** (359,180) (44,145) 150,318 187,229 (44,613) (341,695) (452,086)

Includes unassigned, assigned and restricted

Unassigned balance is 339,908



# Comments and Questions

