



**Board of Education
Big Lake School District #727
Work Session**

Mission Statement

Our mission is to challenge, educate, & inspire all students to reach their highest level of achievement in academics, athletics, & the arts.

**Wednesday, October 4, 2023
6:30 PM
District Office Teaching &
Learning Room
501 Minnesota Ave**

I. Call to Order

Chair, Tonya Reasoner

II. Roll Call

Chair, Tonya Reasoner

III. District Facilities and Financial Needs Discussion

Superintendent, Tim Truebenbach, Buildings and Grounds Director, TJ Zerwas, and Director of Business Services, Angie Manuel

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IV. Adjournment

Chair, Tonya Reasoner

Strategic Plan Focus Areas

Student Support

Staff Support

Family & Community Engagement



Big Lake Public Schools, ISD 727

Work Session

October 4, 2023

Tax Base by Property Type – Payable 2023

	Market Value	Percent of Total	Referendum Market Value	Percent of Total	Net Tax Capacity*	Percent of Total
Totals	2,610,039,076	100.0%	2,495,204,232	100.0%	26,582,878	100.0%
Residential Homestead	2,135,784,481	81.8%	2,102,468,762	84.3%	20,750,481	78.1%
Other Residential	247,932,102	9.5%	243,510,377	9.8%	2,616,181	9.8%
Commercial / Industrial	136,610,100	5.2%	136,610,100	5.5%	2,599,344	9.8%
Non Qualifying Agricultural	12,660,993	0.5%	12,614,993	0.5%	125,226	0.5%
Qualifying Agriculture	43,562,700	1.7%	-	0.0%	347,385	1.3%
Seasonal Recreational	33,488,700	1.3%	-	0.0%	344,748	1.3%
TIF & FD					-200,488	-0.8%

*Totals include TIF & Fiscal Disparities adjustments

Property Tax Levy and Rate Summary, Taxes Payable in 2023 and 2024

	Actual Taxes Payable in 2023	Preliminary Estimate of Taxes Payable in 2024	Estimated Change in Annual Taxes	Estimated % Change
RMV-Based Levies	\$4,664,660	\$5,243,618	\$578,958	12.41%
General Debt Service	\$5,892,423	\$5,816,325	-\$76,098	-1.29%
Other NTC-Based Levies	\$2,042,605	\$2,438,707	\$396,102	19.39%
Total Adjusted Levies	\$12,599,689	\$13,498,650	\$898,962	7.13%

Type of Property	Estimated Market Value	Estimated Annual School District Property Taxes			
Residential Homestead	\$100,000	\$402	\$403	\$1	0.2%
	150,000	658	658	0	0.0%
	200,000	915	914	-1	-0.1%
	250,000	1,171	1,169	-2	-0.2%
	300,000	1,427	1,424	-3	-0.2%
	325,000	1,556	1,552	-4	-0.3%
	350,000	1,684	1,679	-5	-0.3%
	375,000	1,812	1,807	-5	-0.3%
	400,000	1,940	1,934	-6	-0.3%
	500,000	2,430	2,423	-7	-0.3%
	750,000	3,832	3,814	-18	-0.5%
Commercial/ Industrial	\$100,000	\$636	\$629	-\$7	-1.1%
	250,000	1,738	1,715	-23	-1.3%
	500,000	3,701	3,646	-55	-1.5%
	1,000,000	7,626	7,509	-117	-1.5%
	2,000,000	15,476	15,234	-242	-1.6%

Key Assumptions:

1. Preliminary Pay 24 RMV is estimated to change by 7.00% and NTC by 8.00% as compared to taxes payable 2023.
 2. Assumes no change in the value of individual parcels of property from 2023 to 2024 taxes. If the value of a parcel changed, the change in taxes will be different than shown above.
 3. Taxes payable in 2024 are based on latest estimates of proposed levy, as of the date above.
- ** For agricultural property, estimates above are based on the average value per acre of agricultural land and buildings. The estimated tax impact includes a 70% reduction on the portion attributable to school debt taxes due to the School Building Bond Agricultural Credit. The house, garage, and one acre of land (HGA) would pay taxes at the same rate as residential homestead property. For property owners with greater than \$2.15 million of agricultural homestead land and buildings, a portion of the property will be taxed according to the higher non-homestead rate.

Big Lake School District, ISD 727

September 28, 2023

Operating Referendum and Capital Project Levy Revenue

Election Year	Taxes Payable	Fiscal Year	Voter Approved		Board Renewal*		Tax Rate
			Operating Referendum	Renewal Years for Expiring Authorities	First Date	Deadline	Capital Project Levy
2021	2022	2023	635.96				3.21%
2022	2023	2024	660.14				3.21%
2023	2024	2025	681.21				3.21%
2024	2025	2026	701.56	**	July 1, 2023	June 15, 2025	3.21%
2025	2026	2027	0.00	*** / ^ ^			0.00%
2026	2027	2028	0.00				0.00%
2027	2028	2029	0.00				0.00%
2028	2029	2030	0.00				0.00%
2029	2030	2031	0.00				0.00%
2030	2031	2032	0.00				0.00%
2031	2032	2033	0.00				0.00%
2032	2033	2034	0.00				0.00%

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Estimated Revenue for Fiscal Year 2024

Operating Referendum \$ 2,252,769

Capital Project Levy \$ 669,369

Estimated FY 2024 CPL Revenue Per Pupil: \$ 193.22

Notes:

- * Minnesota Statute, Section 126c.17 allows school boards to renew an existing operating referendum one-time for the same term and same amount
- ** First year voters or Board can renew expiring voter approved referendum authority
- *** Last year voters or Board can renew expiring voter approved referendum authority
- ^^ Last year to renew expiring capital project levy

Source: Minnesota Department of Education

Operating Referendum & Capital Project Levy

	Operating Referendum	Capital Project Levy
Tax Levy Based On	Referendum Market Value	Net Tax Capacity
Funding Source	Tax Levy / State Aid	Tax Levy
Authority	Per Pupil	Tax Rate
Inflationary Factor	Optional / CPI	No / Changes with Tax Base
Maximum Amount	\$2,140 per pupil (FY 2024)	No maximum
Allowable Uses	Any Operating Expenditure	Technology / Capital Expenditures
Election Dates	November	Feb, Apr, May, Aug, Nov
Maximum Length	10 years	10 years

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Operating Referendum

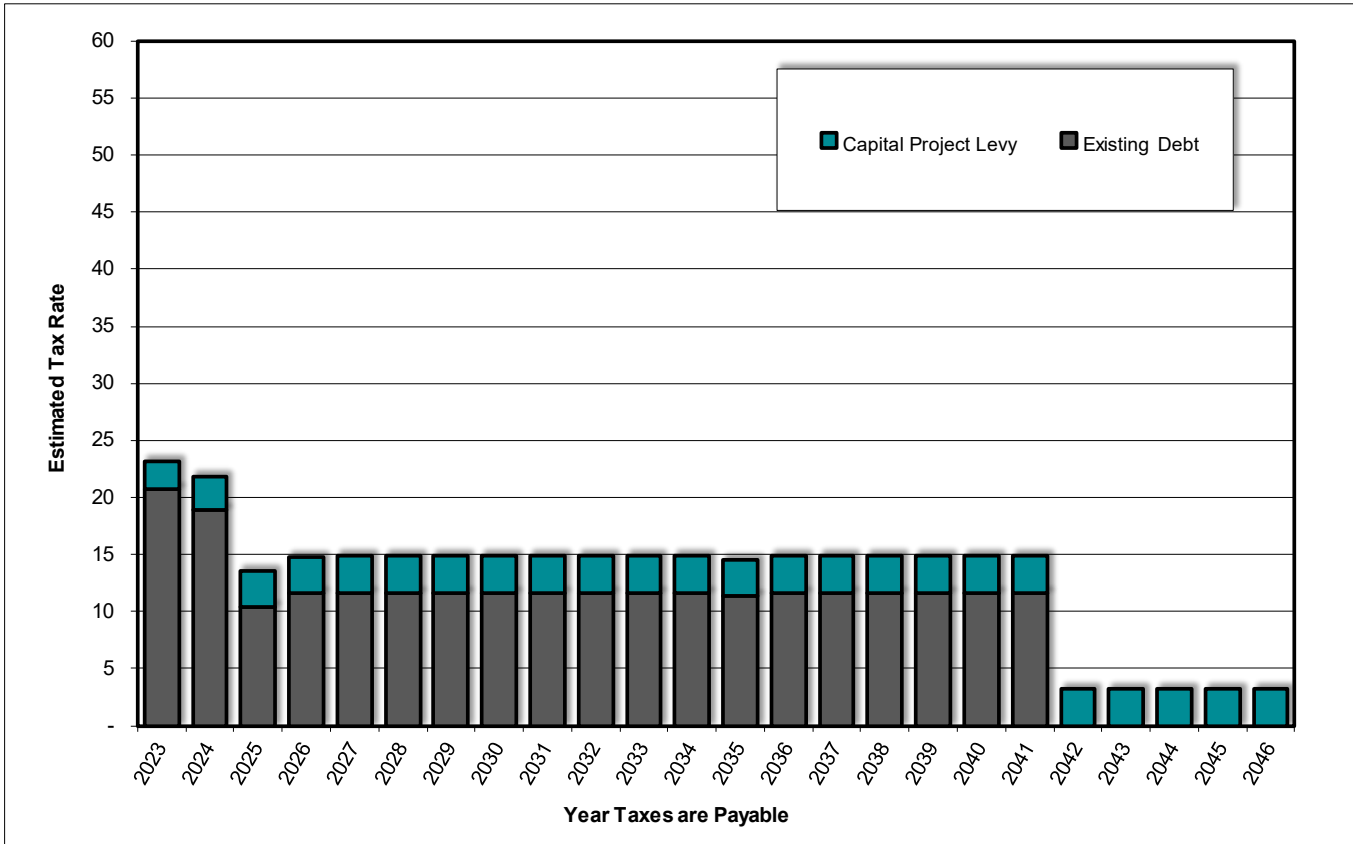
Options		
Additional Revenue/Pupil Unit	\$154.00	\$308.00
Est. Net Increase in Revenue	\$525,633	\$1,051,266
Est. Net Increase in Total Revenue <i>(Includes Equity Revenue)</i>	\$501,356	\$1,002,670

Type of Property	Estimated Market Value	Estimated Taxes for Referendum Only* Taxes Payable in 2025	
	\$100,000	\$19	\$39
	125,000	24	48
	150,000	29	58
	175,000	34	68
	200,000	39	77
	225,000	43	87
	250,000	48	96
Residential	300,000	58	116
Homesteads,	350,000	68	135
Apartments,	400,000	77	154
and Commercial-	450,000	87	174
Industrial Property	500,000	96	193
	1,000,000	193	386

* The amounts in the table are based on school district taxes for the referendum levy only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the Minnesota Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This may decrease the net effect of the referendum levy for those property owners.

NOTE: The new operating referendum revenue would start with fiscal year 2025-26 and is based on estimated adjusted pupil units (APU) of 3,413. Agricultural property will pay taxes for the proposed referendum based only on the value of the house, garage and one acre. Seasonal recreational residential property (i.e., cabins) will pay no taxes for the proposed referendum.

Big Lake Public School District No. 727
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt



Big Lake Public School District No. 727
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

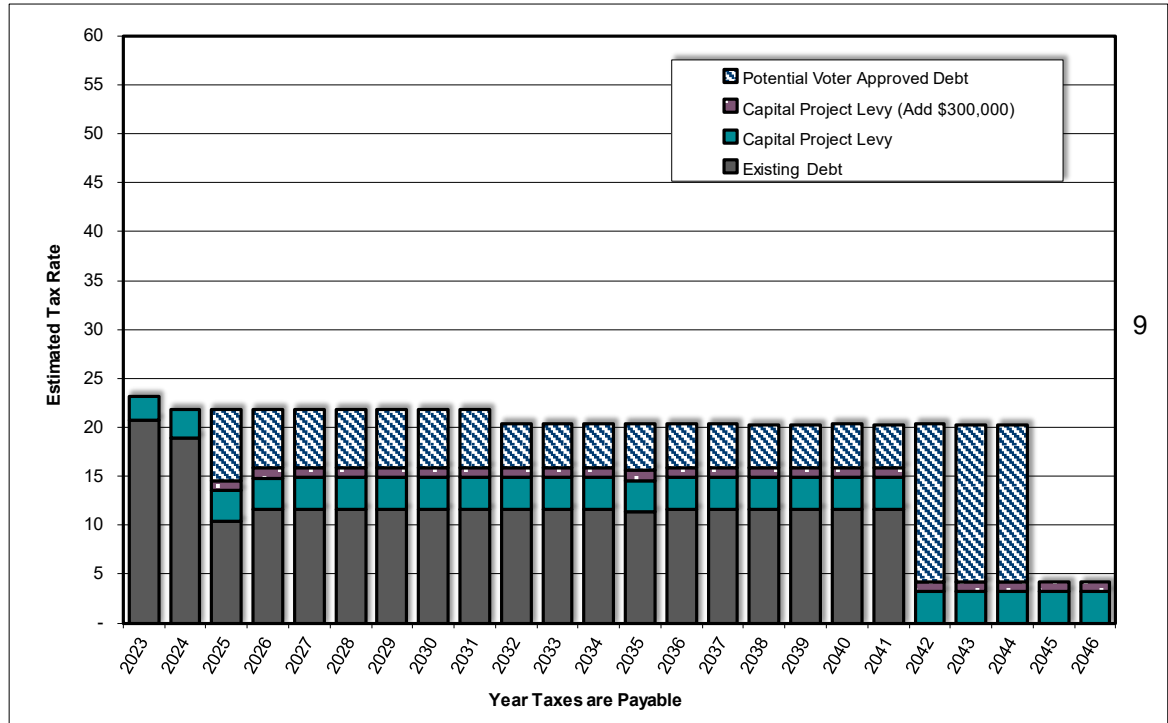
\$23,000,000 Bond Issue
20 Tax Levies
Wrapped Around Existing Debt

Election Nov. 2024

Additional \$300,000
 Capital Project Levy

\$23m School Building
 Bond

- ✓ Voter Approved
- ✓ Levy Starts Taxes Payable in 2025
- ✓ 20 Tax Levies



Date Prepared: October 2, 2023

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Big Lake Public School District No. 727
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

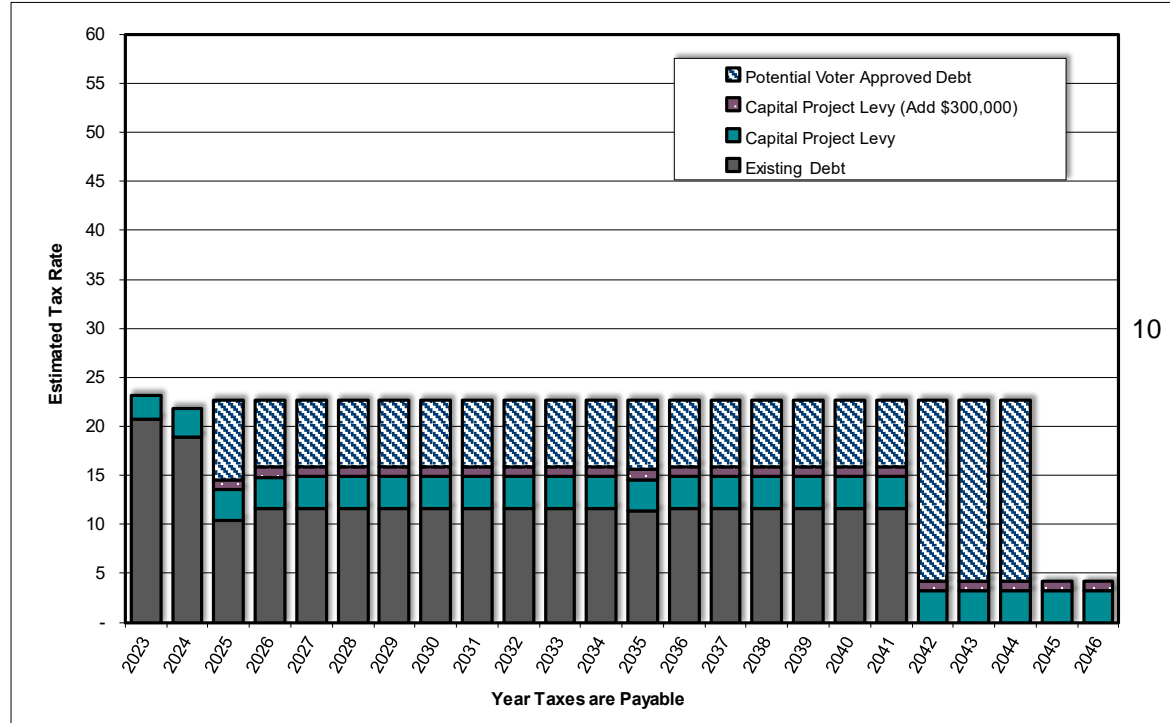
\$29,000,000 Bond Issue
20 Tax Levies
Wrapped Around Existing Debt

Election Nov. 2024

Additional \$300,000
 Capital Project Levy

\$29m School Building
 Bond

- ✓ Voter Approved
- ✓ Levy Starts Taxes Payable in 2025
- ✓ 20 Tax Levies



Date Prepared: October 2, 2023

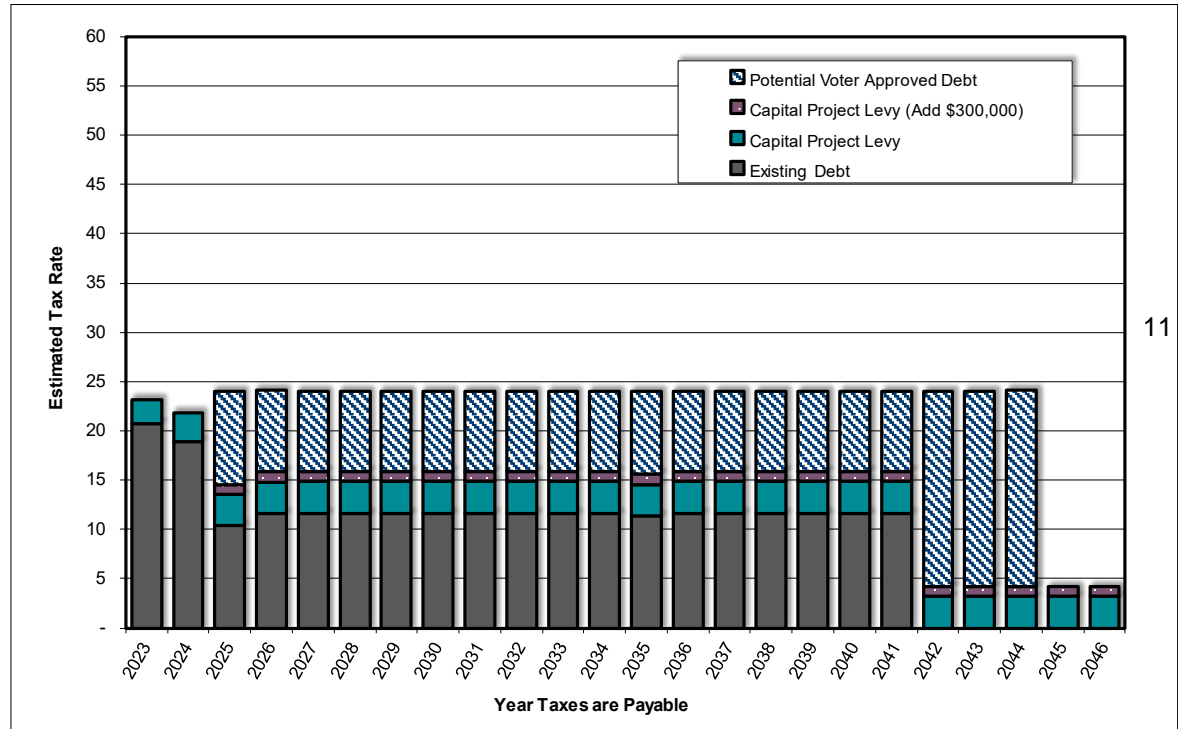
PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Election Nov. 2024

Additional \$300,000
 Capital Project Levy

\$34m School Building
 Bond

- ✓ Voter Approved
- ✓ Levy Starts Taxes Payable in 2025
- ✓ 20 Tax Levies



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Date Prepared: October 2, 2023

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Big Lake School District No. 727

Analysis of Tax Impact

October 3, 2023

Possible November 2024 Election

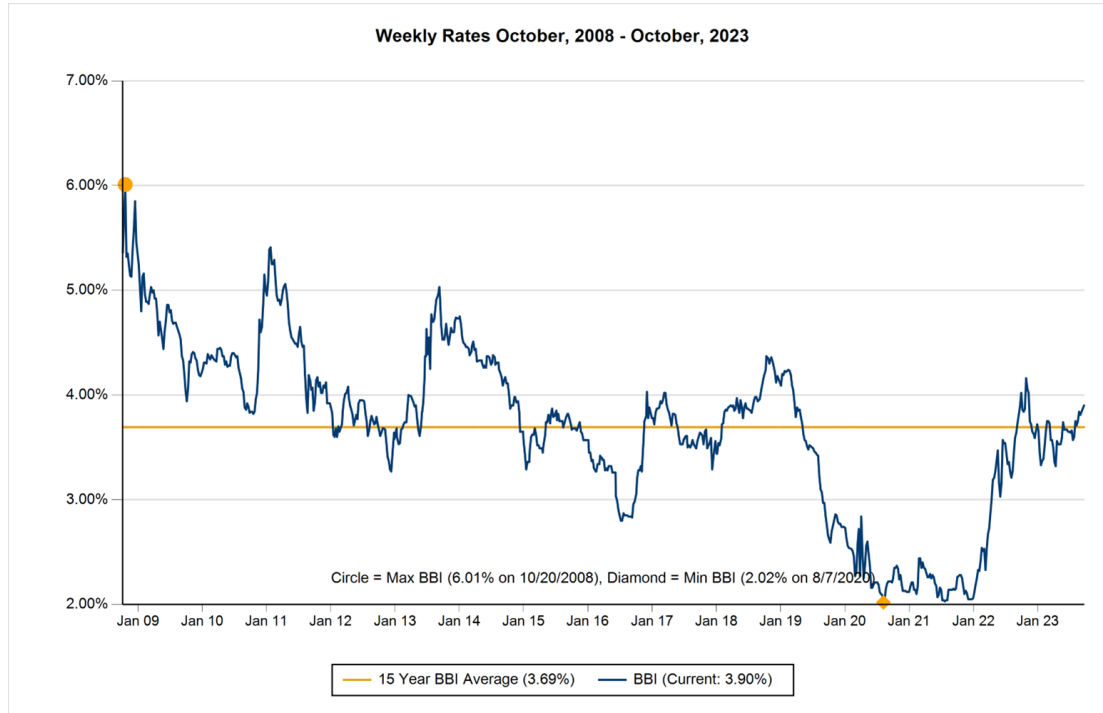
Authorized Bond Amount First Year Taxes Payable Tax Levies Annual Revenue	Question 1	Question 2	Question 3		
	Capital Project Levy Renewal	Operating Referendum	Building Bonds & Additional Capital Project Levy	Reduction Other Levies	Net Change
	2026 10 \$942,380	2025 10 \$1,002,670	\$29,000,000 2025 20 \$300,000	2025	\$29,000,000 \$1,302,670

Type of Property	Estimated Market Value		Estimated Change in Annual Taxes Payable 2025*			
Residential Homestead	\$100,000	\$0	\$39	\$66	-\$60	\$45
	200,000	0	77	166	-151	92
	300,000	0	116	265	-242	139
	350,000	0	135	315	-287	163
	400,000	0	154	365	-333	186
	450,000	0	174	412	-376	210
	500,000	0	193	458	-417	234
	550,000	0	212	515	-470	257
	600,000	0	231	573	-522	282
	750,000	0	289	744	-678	355
1,000,000	0	386	1,031	-939	478	
Commercial/ Industrial	\$100,000	\$0	\$39	\$137	-\$125	\$51
	250,000	0	96	389	-355	130
	500,000	0	193	847	-772	268
	1,000,000	0	386	1,764	-1,607	543
	2,000,000	0	772	3,596	-3,277	1,091
Apartments & Residential Non-Homestead (2 or more units)	\$100,000	\$0	\$39	\$115	-\$104	\$50
	250,000	0	96	286	-261	121
	500,000	0	193	573	-522	244
	1,000,000	0	386	1,145	-1,044	487
	2,000,000	0	772	2,290	-2,087	975

* The amounts in the table are based on school district taxes for the Operating Referendum, Capital Project Levy, principal and interest payments new bonds, and other capital levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for qualifying property owners.

NOTE QUESTION 2: The new operating referendum revenue would start with fiscal year 2025-26 and is based on estimated adjusted pupil units (APU) of 3,413.

15 Year Trend in Municipal Bond Indices



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The Bond Buyer “20 Bond Index” (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody’s Aa2 and S&P’s AA.

Source: The Bond Buyer

Key Dates for Possible Bond Referendum

- June 28, 2024 – Submit Review & Comment to MDE
- August 23, 2024 – School Board Approve Resolution Calling for Election
- November 5, 2024 – Election Day

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