



Fillmore Central

2018 Payable 2019

Truth In Taxation Public Meeting

6:01 p.m.

December 18, 2018

at the

Fillmore Central High School Media Center

145 Main Ave. S

Harmony, MN 55939



Fillmore Central

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year.

- The law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase (decrease) such a levy would mean in dollars.
- School districts are required to hold a single meeting in which the public is allowed to speak and the budget and levy is discussed. This meeting may be part of a regularly scheduled meeting but must occur after 6:00 P.M.
- The meeting date and location must be provided at the same time or prior to certifying the proposed property tax levy. The meeting date must be between November 25 and December 27.
- You are here tonight as part of the school district's public meeting process.



Fillmore Central

Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2019
2. Provide and discuss information on the current budget (2018-2019).
3. Public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions.

- Minnesota Statute 275.065



Fillmore Central

Points to Remember:

1. Revenue formulas are set by the State Legislature except for voter approved referendums.
2. Local Levy and State Aid mix are set by the State Legislature.
3. An increase in local taxes does not necessarily mean an increase in revenues for the school district.



Fillmore Central Schools

School District Budget

Current School Year

2018-2019

Fund Accounting Overview

2018-2019

GENERAL FUND (Fund 01)

- Revenue is based on student enrollment
- The local referendum levy is part of the General Fund
- Provides for classroom instruction, instructional supplies and equipment, and other educational activities
- Special Education, and State / Federal Mandated Programs
- Extra-curricular Activities
- Pupil Transportation
- Facilities Operation and Maintenance
- Capital Expenditures and Improvements
- Health and Safety Code Compliance

FOOD SERVICE (Fund 02)

- School Breakfast and Lunch Program

Fund Accounting Overview (cont.)

2018-2019

COMMUNITY SERVICE (Fund 04)

- Levy is based on adult population in the District
- Early childhood levy is based on the number of children under 5 years of age
- Provides for enrichment programs for any age level that are not part of the K-12 education program
- Early Childhood Family Education
- School Readiness
- Adult Basic Education

DEBT SERVICE (Fund 07)

- Based on annual debt retirement schedules for the district's outstanding bonded indebtedness. Annual levy is for the payment of principal and interest on bonds as due.



Fillmore Central

2018-2019 BUDGET OVERVIEW REVENUES

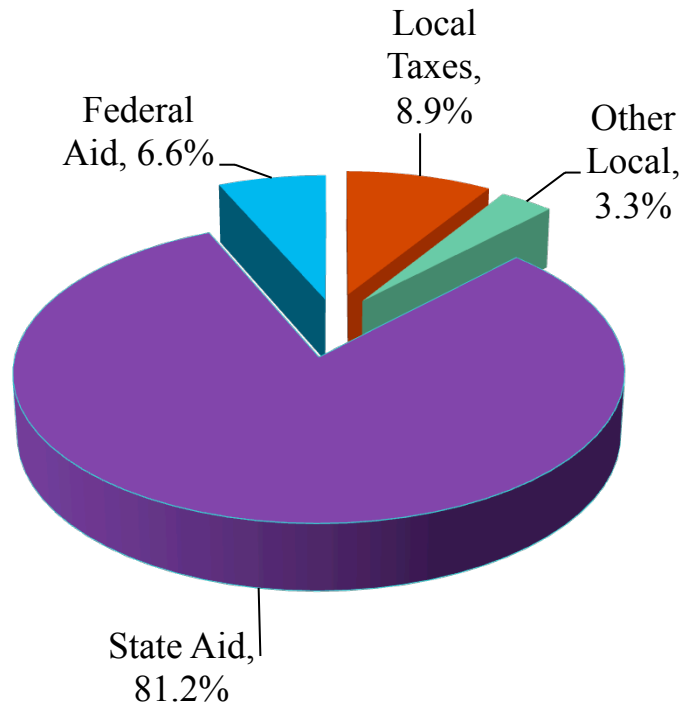
	17-18 Actual	18-19 Budget	Percent Change
General Fund	7,515,190	7,220,108	-3.93%
Food Service	491,002	414,858	-15.51%
Community Service	701,707	645,823	-7.96%
Building Construction	840	-	-100.00%
Debt Service (07 and 47)	781,964	672,074	-14.05%
Totals	\$ 9,490,703	\$ 8,952,863	-5.67%



Fillmore Central

General Fund Revenue Budget

Where Do Our School Revenues Come From?





Fillmore Central

2018-2019 BUDGET OVERVIEW EXPENDITURES

	17-18 Actual	18-19 Budget	Percent Change
General Fund	6,972,956	8,984,259	28.84%
Food Service	496,182	424,490	-14.45%
Community Service	719,002	714,405	-0.64%
Construction	96,236	-	-100.00%
Debt Service (07 & 47)	715,306	677,748	-5.25%
Totals	\$ 8,999,682	\$ 10,800,902	20.01%



Fillmore Central

HOW ARE GENERAL FUND DOLLARS SPENT?

Expenses incurred in the operation of the district are paid from the General Fund. The following schedule relates how the dollars allocated to the General Fund are spent:

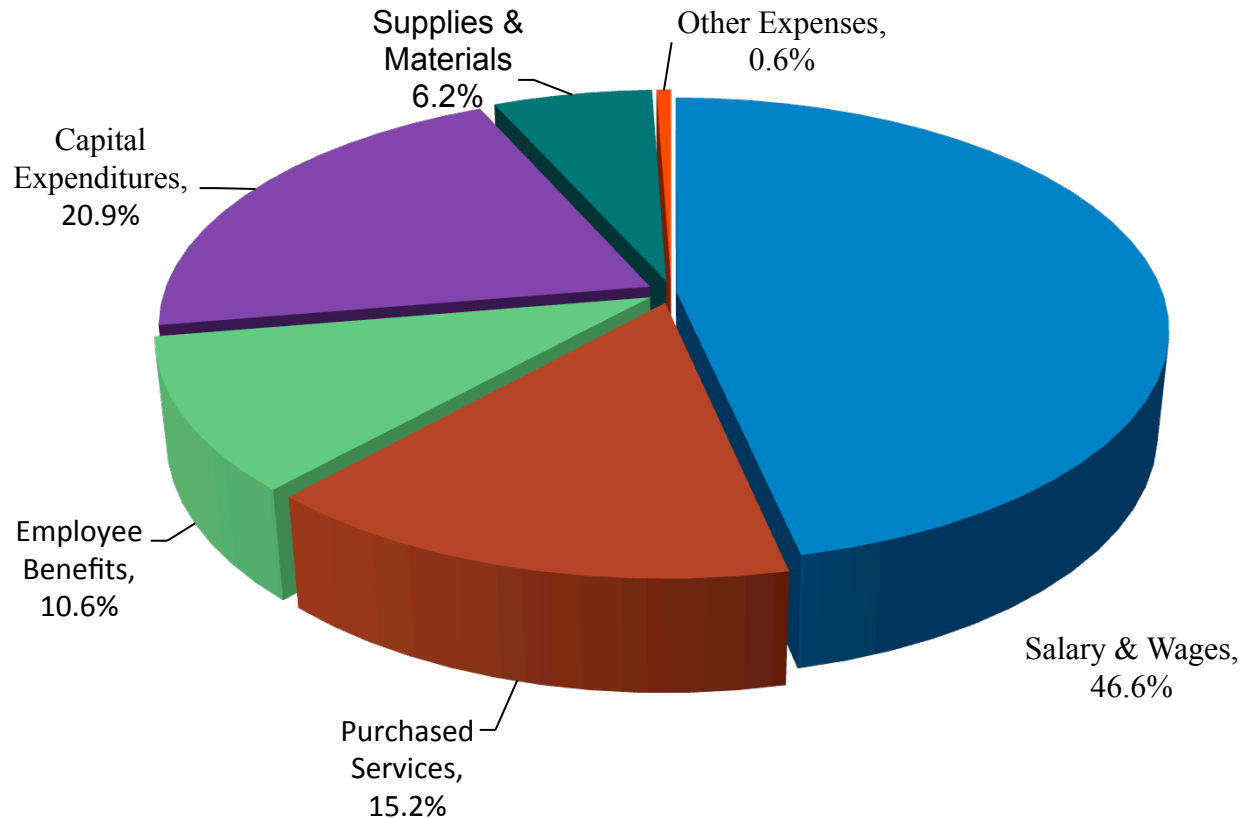
Regular Instruction	38.1%
Sites-Buildings, Equipment	28.6%
Special Education Instruction	12.9%
Pupil Support Services	7.4%
District & School Administration	4.6%
District Support Services	3.9%
Instructional Support Services	2.6%
Vocational Instruction	1.2%
Fiscal and Other	0.6%
	<hr/>
	100.0%



Fillmore Central

General Fund Expenditure Budget

What Do Our Expenditures Pay For?





Fillmore Central

School District Levy

- 2018 Payable 2019
- 2019-2020 School Year
- Fiscal Year 2020



Fillmore Central

Authority for School Levies

A School District Tax Levy must be either:

- Set by State Formula
- or-
- Voter and/or School Board Approved



Fillmore Central

Factors Impacting Tax Change

Issues Driven by Legislative Decisions:

- Change in sales ratio (impacting ANTC)
- Change in tax capacity rate structure
- Laws mandating code compliance (Health & Safety and Buildings)

Issues Determined by District Voters:

- Voter approved building bond issue
- Voter approved excess levy referendum



Fillmore Central

Factors Impacting Tax Change (*cont.*)

Local Factors:

- Inflationary pressure on real estate market
- Abatements
- Property improvements not previously taxed
- Change in individual assessed market value
- Possible change in property classification (*e.g. homestead to rental*)



Fillmore Central

How will your 2019 school taxes be spent?

Percent

General Fund

Provides additional funding for district instructional programs by means of the approved excess referendum. Provides funds for operating capital expenses, building/land lease, and Health & Safety costs:

57%

Community Education Fund

Levy for Community Education Programs:

5%

Debt Service

Levy for repayment of principal and interest on district debt:

38%

Total Levy Before Credits:

100.0%



Fillmore Central

LEVY LIMITATION AND CERTIFICATION 2018 Payable 2019

Comparison of Certified Payable 2018 Levy with Proposed Payable 2019 Levy

GROSS LEVIES BY FUND	ACTUAL 17 PAY 18	PROPOSED 18 PAY 19	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
General Fund	884,843.15	943,431.29	58,588.14	6.62%
Community Services	79,245.93	77,600.96	(1,644.97)	-2.08%
Debt Redemption	661,369.10	647,354.21	(14,014.89)	-2.12%
Total	1,625,458.18	1,668,386.46	42,928.28	2.64%



Fillmore Central

What are the main variables that cause property tax increases and decreases?

- Changes in market values, classification or class rates
- Change in property tax credits (*e.g. change in Homestead Benefit from a credit to an exclusion*)
- Voter approved referendums
- Increases or decreases in levy amounts caused by changes in state funding formulas



Fillmore Central

What are the main variables that cause property tax increases and decreases? (*cont.*)

- The value of your property may increase or decrease
- The value of other properties may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.



Fillmore Central

Whereas, Pursuant to Minnesota Statutes the School Board of Fillmore Central School District, Preston, Minnesota, is authorized to make the following proposed tax levies for general purposes:

Maintenance (General Fund)	\$ 943,431.29
• Includes Referendum	
Community Service	77,600.96
General Debt Service	549,934.94
OPEB Debt Service	97,419.27
Total Proposed School Tax Levy	\$1,668,386.46

Now Therefore, Be it resolved by the School Board of Fillmore Central School District, Preston, Minnesota, that the levy to be levied in 2018 to be collected in 2019 is set at \$1,625,458.18. The clerk of the Fillmore Central School Board is authorized to certify the proposed levy to the County Auditor of Fillmore County, Minnesota.