



Fillmore Central

2012 Payable 2013

Truth In Taxation Public Meeting

6:30 p.m.

December 18, 2012

at the

Fillmore Central Elementary Meeting Room

700 Chatfield Street

Preston, MN 55965



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Truth in Taxation Law

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. One important part of that 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 such a levy would mean in dollars.



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Truth in Taxation Public Meeting

A second part of the law pertains to a “Truth in Taxation” public meeting for each taxing jurisdiction.

You are here tonight as part of the school district’s public meeting process.



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Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2013
2. Provide and discuss information on the current budget (2012-2013).
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



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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.



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School District Budget

Current School Year

2012-2013

Fund Accounting Overview 2012-2013

GENERAL FUND

- 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

- School Breakfast and Lunch Program

Fund Accounting Overview (cont.)

2012-2013

COMMUNITY SERVICE

- 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

- 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.



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2012-2013 BUDGET OVERVIEW - REVENUES

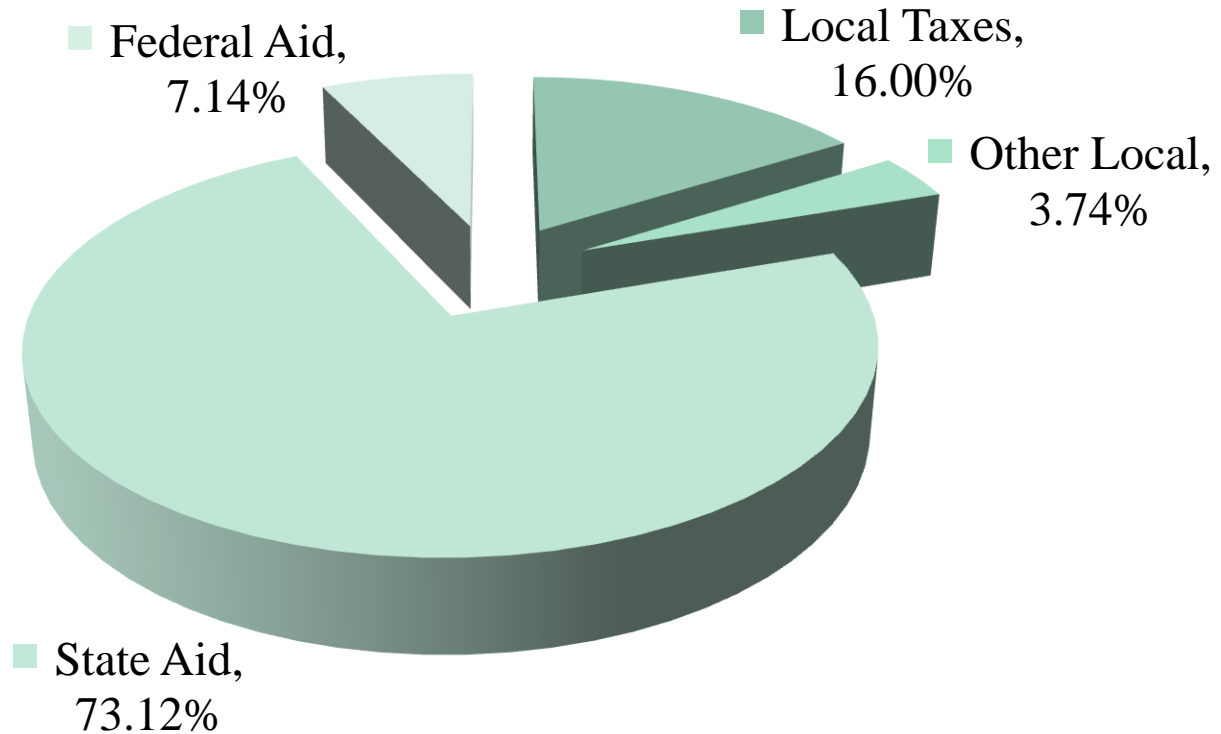
	11-12 Actual	12-13 Budget	Percent Change
General Fund	5,584,056	5,803,417	3.93%
Food Service	338,050	338,050	0.00%
Community Service	428,859	437,035	1.91%
General Debt Service	515,276	507,184	-1.57%
OPEB Debt Service	112,968	111,222	-1.55%
Totals	<u>\$ 6,979,209</u>	<u>\$ 7,196,908</u>	<u>3.12%</u>



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General Fund Revenue Budget

Where Do Our School Revenues Come From?





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2012-2013 BUDGET OVERVIEW - EXPENDITURES

	11-12 Actual	12-13 Budget	Percent Change
General Fund	5,576,868	5,755,939	3.21%
Food Service	342,731	339,231	-1.02%
Community Service	461,869	450,369	-2.49%
General Debt Service	511,775	506,875	-0.96%
OPEB Debt Service	108,088	105,963	-1.97%
Totals	<u>\$ 7,001,331</u>	<u>\$ 7,158,377</u>	<u>2.24%</u>



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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:

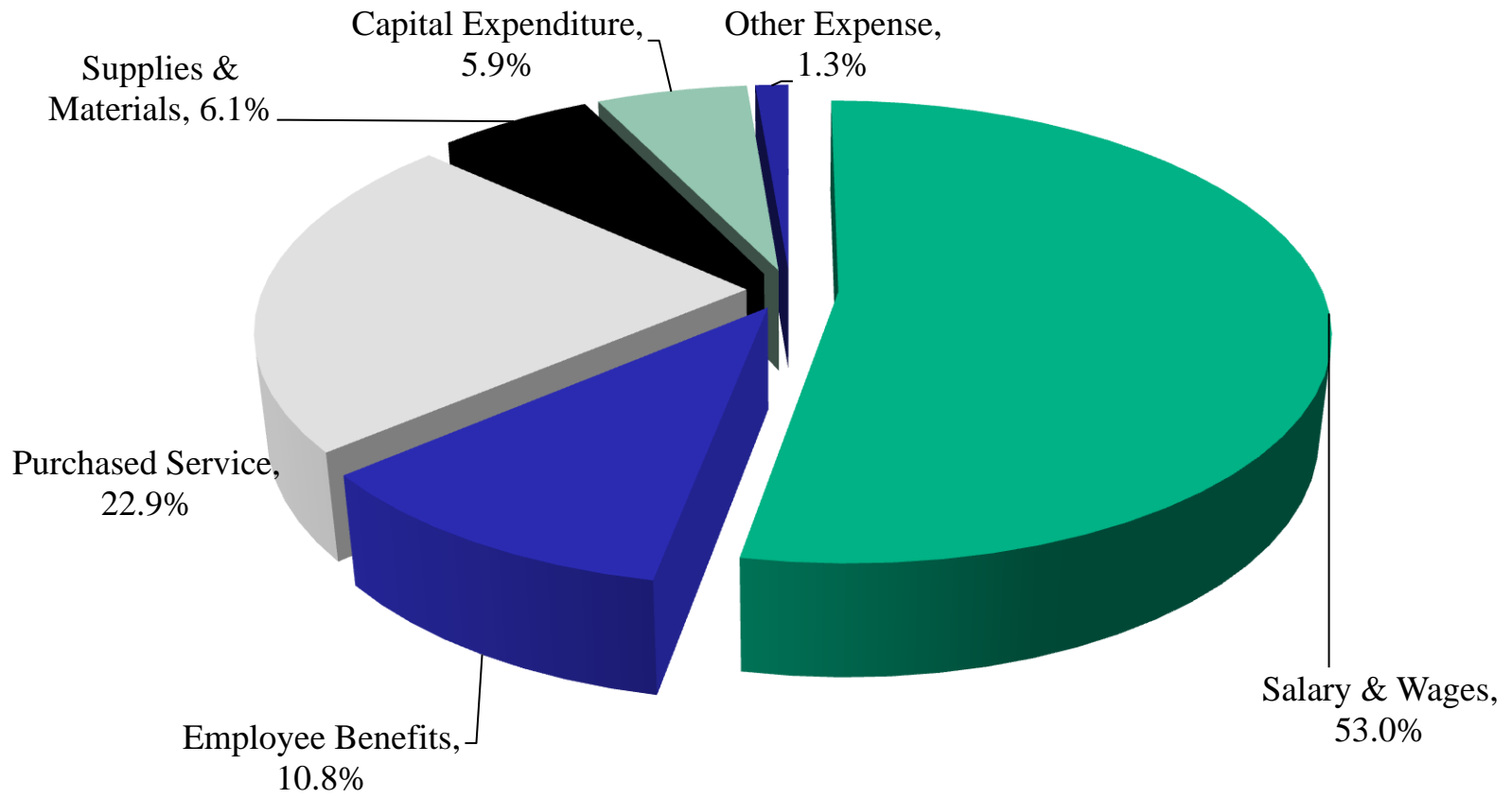
District and School Administration	6.2%
District Support Services	2.8%
Regular Instruction	47.6%
Vocational Instruction	1.2%
Special Education Instruction	17.3%
Instructional Support Services	1.4%
Pupil Support Services	9.3%
Site, Buildings, and Equipment	13.1%
Fiscal and Other Fixed Cost Programs	1.2%
Total General Fund	100.0%



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General Fund Expenditure Budget

What Do Our Expenditures Pay For?





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School District Levy

- 2012 Payable 2013
- 2013-2014 School Year
 - Fiscal Year 2014



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Authority for School Levies

A School District Tax Levy must be either:

➤ Set by State Formula

-or-

➤ Voter Approved



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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



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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*)



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How will your 2013 school taxes be spent?

	<u>Percent</u>
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:	50%
Community Education Fund	
Levy for Community Education Programs:	5%
Debt Service	
Levy for repayment of principal and interest on district debt:	37%
OPEB Debt Service	
Levy for repayment of principal and interest on OPEB debt:	8%
Total Levy Before Credits:	100%



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LEVY LIMITATION AND CERTIFICATION 2012 Payable 2013

Comparison of Certified Payable 2012 Levy with Proposed Payable 2013 Levy

GROSS LEVIES BY FUND	ACTUAL 11 PAY 12	PROPOSED 12 PAY 13	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
General Fund	928,827.39	732,150.35	(196,677.04)	-21.17%
Community Services	74,498.13	75,865.64	1,367.51	1.84%
General Debt Service	506,684.08	544,862.32	38,178.24	7.53%
OPEB Debt Service	111,222.00	112,114.82	892.82	0.80%
Total	1,621,231.60	1,464,993.13	(156,238.47)	-9.64%



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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. 2011 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



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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.



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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)	\$ 732,150.35
• Includes Referendum	
Community Service	75,865.64
General Debt Service	544,862.32
OPEB Debt Service	112,114.82
Total Proposed School Tax Levy	\$ 1,464,993.13

Now Therefore, Be it resolved by the School Board of Fillmore Central School District, Preston, Minnesota, that the levy to be levied in 2012 to be collected in 2013 is set at \$1,464,993.13. The clerk of the Fillmore Central School Board is authorized to certify the proposed levy to the County Auditor of Fillmore County, Minnesota.