

Spring Lake Park District 16

PUBLIC HEARING

Notice of Proposed Property Taxes

The school board of Spring Lake Park, Independent School District 16, will hold a public hearing on its budget and on the amount of property taxes it is proposing to collect in 2006 to pay for the costs of the district for the 2006-2007 school year.

Attend the Public Hearing

All residents of the school district are invited to attend the public hearing of the school board to express their opinions on the budget and on the proposed amount of property taxes. The hearing will be held on:

**Tuesday, December 6, 2005 at 7:00 P.M.
Board Meeting Room
District Office
8000 Highway 65 NE
Spring Lake Park, MN 55432**

Spring Lake Park School District 16

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 (decrease) such a levy would mean in dollars.

Spring Lake Park School District 16

Truth in Taxation Public Hearing

- A second part of the law pertains to a “Truth in Taxation” public hearing for each taxing jurisdiction including a specific type of public notice.
- We are here tonight as part of the school district’s public hearing process.

Spring Lake Park School District 16

Requirements of the Truth in Taxation Hearing

1. Tax levy must be for taxes payable 2006
2. Current budget must be discussed
3. The proposed percent increase of the property tax levy and the reasons for the increase must be discussed
4. Public must be given time to comment

– Minnesota Statute 275.065

Spring Lake Park School District 16

Tax Levy Calendar

August 2005	Set dates and location of levy hearings
September 2005	Certify proposed levy
November 2005	County mails levy notices to property owners
December 2005	Public hearing on levy
December 2005	Certify final tax levy

Spring Lake Park School District 16

Your Proposed Property Tax for 2006 County of Anoka

		Taxes Payable in 2005	Taxes Payable in 2006
	Property Classification	Res Hstd	Res Hstd
	Taxable Market Value	\$ 195,000	\$ 211,200
		(1) Actual 2005 Property Tax	(2) Actual 2006 Property Tax
			Percent Change
<i>Total Excluding Special Assessments</i>		\$ 1,853.14	\$ 2,018.68
			8.90%
COUNTY OF ANOKA:		\$ 0.00	\$ 0.00
REGIONAL RAIL AUTHORITY		\$ 26.92	\$ 25.22
REMAINDER OF COUNTY LEVY		\$ 570.40	\$ 610.43
COUNTY/MUNICIPAL PUBLIC SAFETY RADIO SYSTEM		\$ 8.64	\$ 8.50
CITY OF BLAINE		\$ 557.19	\$ 632.60
STATE GENERAL TAX		\$ 0.00	\$ 0.00
SPRING LAKE PARK DISTRICT #16		\$ 0.00	\$ 0.00
VOTER APPROVED SCHOOL LEVIES		\$ 467.14	\$ 441.35
OTHER LOCAL SCHOOL LEVIES		\$ 142.65	\$ 217.74
METROPOLITAN SPECIAL TAXING DISTRICTS		\$ 52.21	\$ 55.91
OTHER SPECIAL TAXING DISTRICTS		\$ 27.99	\$ 26.93
TAX INCREMENT/FISCAL DISPARITY		\$ 0.00	\$ 0.00

Spring Lake Park School District 16

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School District Funding

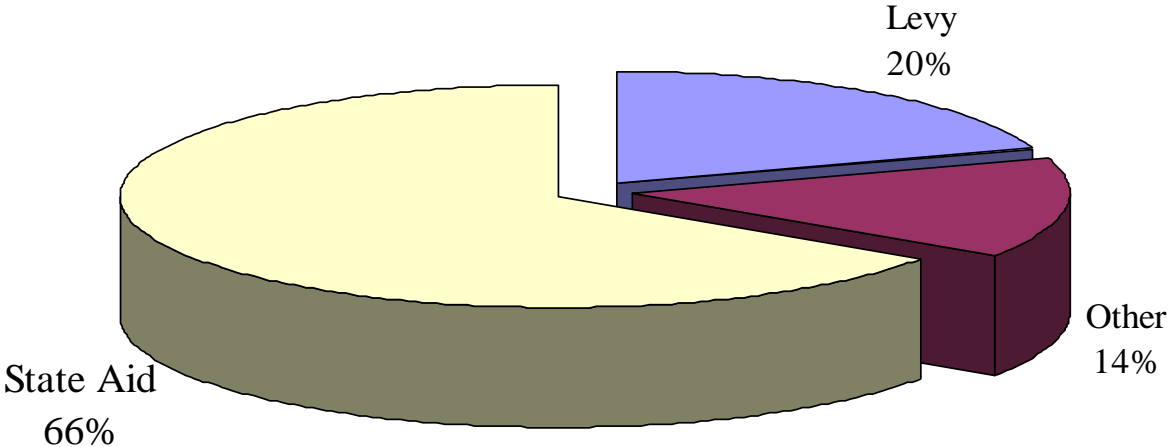
Revenue Sources

Expenditure Categories

Student Enrollment Growth

Spring Lake Park School District 16

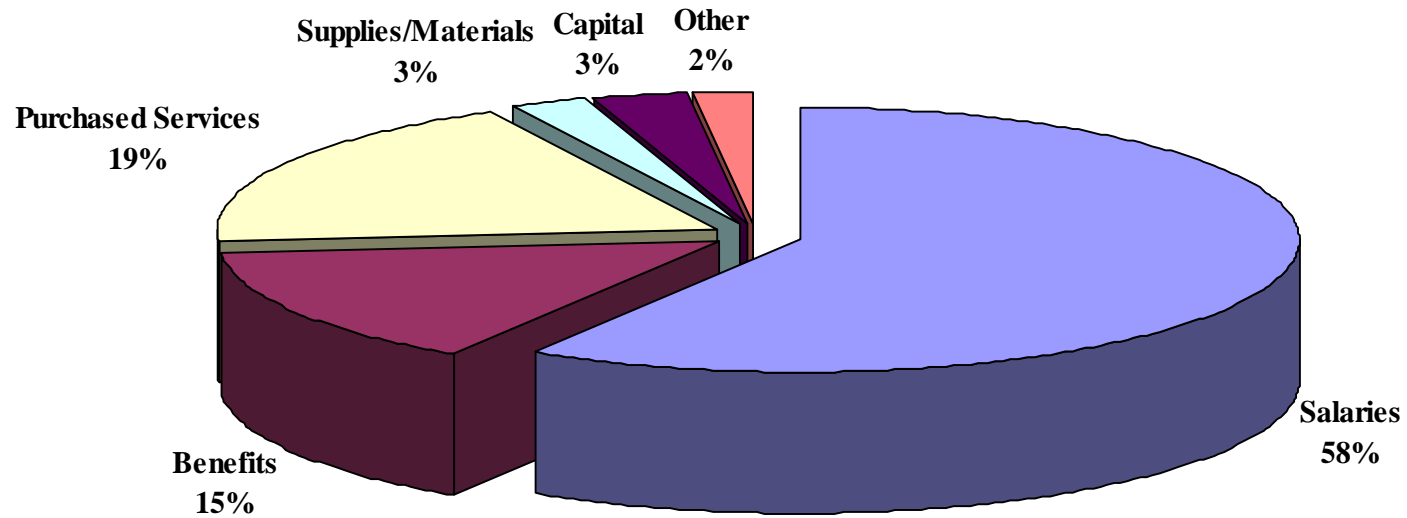
2004-2005 District Revenue Sources



Source: June 30, 2005 Comprehensive Annual Financial Report

Spring Lake Park School District 16

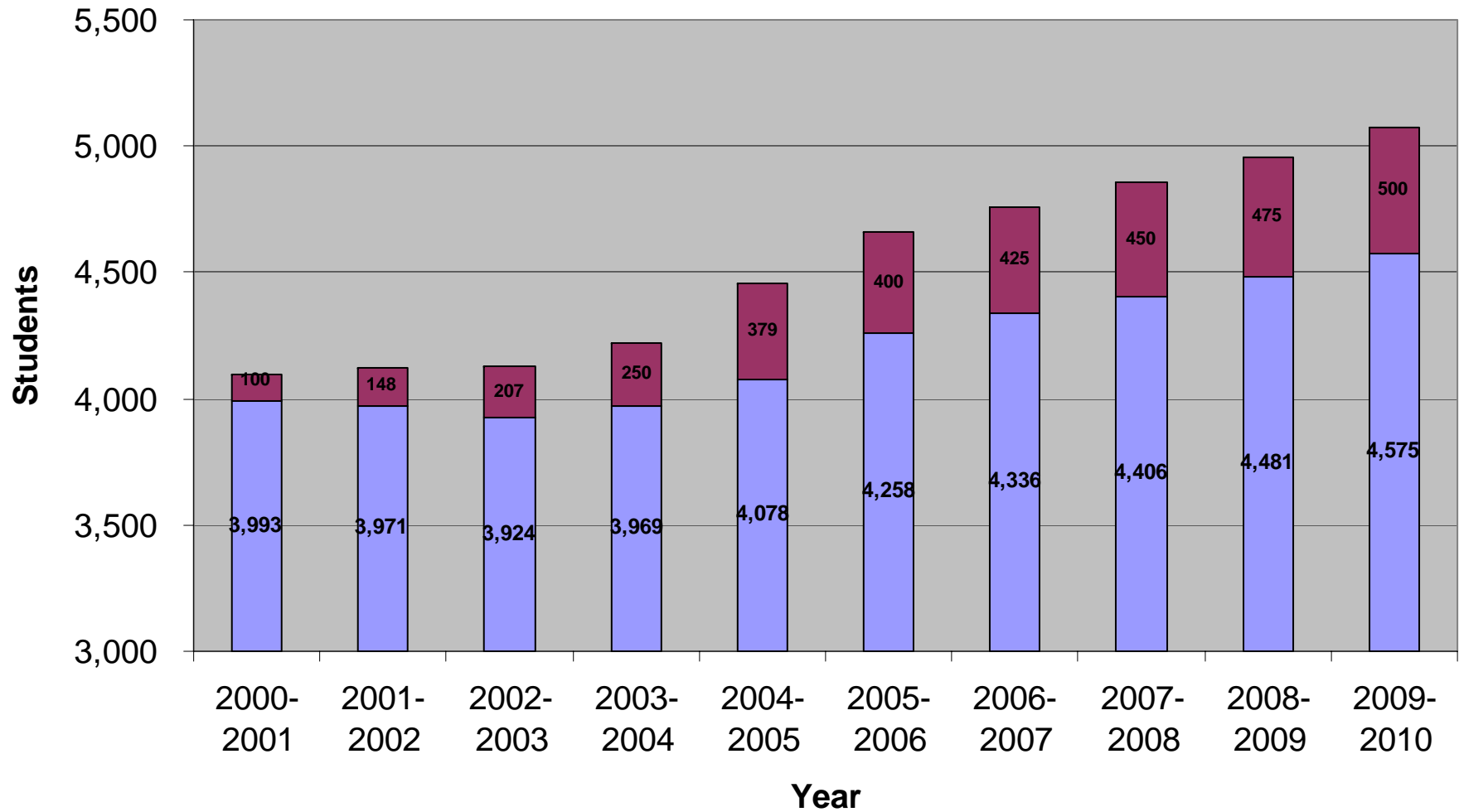
2004-2005 General Fund Expenditures by Classification



Source: June 30, 2005 Comprehensive Annual Financial Report

Spring Lake Park School District 16

Student Enrollment Grades K - 12 and Learning Alternative Programs



Source: November 1, 2005 Enrollment Projections Report

School District Budget

Current School Year

2005-2006

The 2006-07 budget will be set in the spring of 2006 and adopted by the Board in June 2006.

SCHOOL DISTRICT FUNDS

The school district has three different revenue and expenditure funds. The primary uses of the tax levy in each fund is briefly described below:

1. GENERAL FUND LEVY

- a. Provides local referendum levy (Levy for Learning)
- b. Provides funds for Health and Safety code compliance, asbestos removal, fire suppression sprinkler systems, and safety requirements
- c. Provides resources for reemployment insurance, career and technical programs, and other items as determined through state legislation

2. COMMUNITY EDUCATION FUND LEVY

- a. Based on the adult population in the District
- b. Early Childhood levy is based on the number of children under 5 years of age

3. DEBT SERVICE FUND LEVY

Based on annual debt retirement schedules. Annual levy is what is needed to pay interest and principal on bonds.

Spring Lake Park School District 16

	Preliminary Fund Balance 6/30/2005	Revised Revenue Budget 2005-2006	Revised Expenditure Budget 2005-2006	Revised Change in Fund Balance	Revised Fund Balance 6/30/2006
Operating Funds					
General Fund					
Unreserved/Undesignated					
Fund Balance	\$ 173,775	\$33,935,618	\$33,876,562	\$ 59,056	\$ 232,831
General Fund					
Reserved/Designated Fund Balance					
Reserve - Severance/ Health Benefits	620,273	500,000	500,000	-	\$ 620,273
Reserve - Health & Safety	943,673	738,459	1,002,900	(264,441)	\$ 679,232
Reserve - Area Learning Center	502,099	2,000,000	2,101,558	(101,558)	\$ 400,541
Reserve - Operating Capital	281,252	1,222,959	1,100,201	122,758	\$ 404,010
Designated - Student Activities	82,921	200,000	200,000	-	\$ 82,921
Designated - Voc Land	419,600	-	-	-	\$ 419,600
General Fund	\$ 3,023,593	\$38,597,036	\$38,781,221	\$ (184,185)	\$ 2,839,408
Food Service Fund	159,318	1,523,740	1,450,473	73,267	\$ 232,585
Community Service Fund	(17,249)	2,659,912	2,641,727	18,185	\$ 936
Total Operating Funds	\$ 3,165,662	\$42,780,688	\$42,873,421	\$ (92,733)	\$ 3,072,929
Non Operating Funds					
Debt Service Fund	363,347	3,026,080	2,884,300	141,780	\$ 505,127
Trust and Agency Fund	28,180	100,000	100,000	-	\$ 28,180
Total All Funds	\$ 3,557,189	\$45,906,768	\$45,857,721	\$ 49,047	\$ 3,606,236

Source: Fiscal Year 2005-2006 Revised Budget

Spring Lake Park School District 16

General Fund

	Revised Budget	Percent of	Proposed Budget	Percent of
CLASSIFICATION	2004-2005	Total	2005-2006	Total
EXPENDITURES:				
District and School Administration	\$ 1,650,824	4.7%	\$ 1,741,245	4.5%
District Support Services	\$ 1,288,105	3.6%	\$ 1,395,440	3.6%
Instruction (Regular, Vocational, and Special Education)	\$ 22,028,344	62.1%	\$ 23,721,540	61.2%
Instructional Support Services	\$ 2,603,504	7.3%	\$ 3,091,401	8.0%
Pupil Support Services	\$ 2,949,219	8.3%	\$ 3,376,995	8.7%
Sites, Buildings, Equipment	\$ 4,047,445	11.4%	\$ 4,302,300	11.1%
Fiscal/Other Fixed Costs	\$ 912,000	2.6%	\$ 1,152,300	3.0%
TOTAL EXPENDITURES	\$ 35,479,441		\$ 38,781,221	

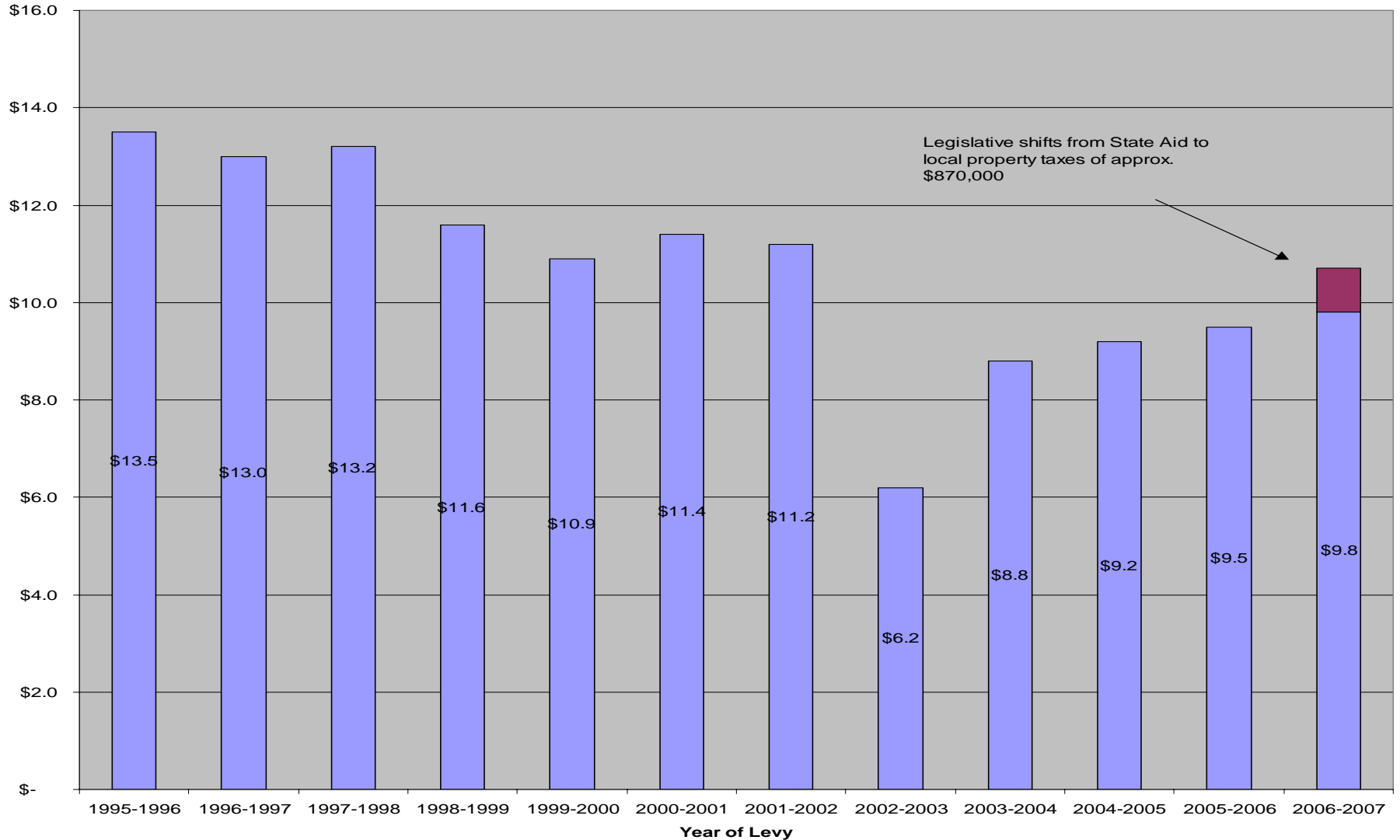
Source: Fiscal Year 2005-2006 Budget

Levy Information

Levy 2005 Payable 2006
2006-2007 School Year
Fiscal Year 2007

Spring Lake Park School District 16

Levy History



Spring Lake Park School District 16

Total Levy by Fund

<u>FUND</u>	<u>PROPOSED 2006 LEVY</u>	<u>PAYABLE 2005 LEVY</u>	<u>CHANGE</u>	<u>PERCENT CHANGE</u>
General	\$ 7,389,442	\$ 6,119,334	\$ 1,270,108	20.76%
Community Service	\$ 382,577	\$ 366,385	\$ 16,192	4.42%
Debt Service	\$ 2,929,044	\$ 3,026,080	\$ (97,036)	-3.21%
Less: Debt Service Excess	\$ (27,796)	\$ -	\$ (27,796)	
TOTAL	\$ 10,673,268	\$ 9,511,799	\$ 1,161,469	12.21%

Spring Lake Park School District 16

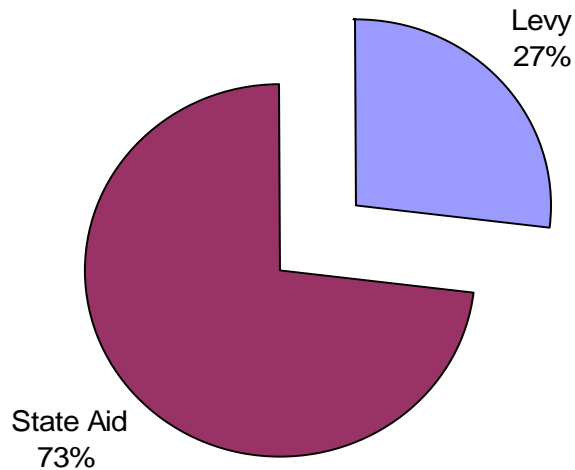
GENERAL FUND

	Proposed Payable 2006 Amount	Payable 2005 Amount	Dollar Change	Percent Change
Referendum Levy Authority	4,238,991	3,979,768	\$ 259,223	6.5%
Transition	232,790	216,768	\$ 16,023	7.4%
Equity * (Equalized)	514,156	204,827	\$ 309,329	151.0%
Operating Capital * (Equalized)	705,521	297,221	\$ 408,300	137.4%
Safe Schools/Crime Levy	139,118	137,760	\$ 1,358	1.0%
Health and Safety	937,933	743,144	\$ 194,789	26.2%
Lease Levy	487,104	100,902	\$ 386,202	382.8%
Career Technical	68,475	68,475	\$ -	0.0%
Lost Interest Earnings	20,807	20,807	\$ -	0.0%
Unemployment	50,000	-	\$ 50,000	
	-	-		
Prior Year Levy Adjustments	(7,352)	342,400	\$ (349,752)	-102.1%
	-	-		
Abatements	1,898	7,262	\$ (5,364)	-73.9%
GENERAL FUND TOTALS	\$ 7,389,442	\$ 6,119,334	\$ 1,270,108	20.8%

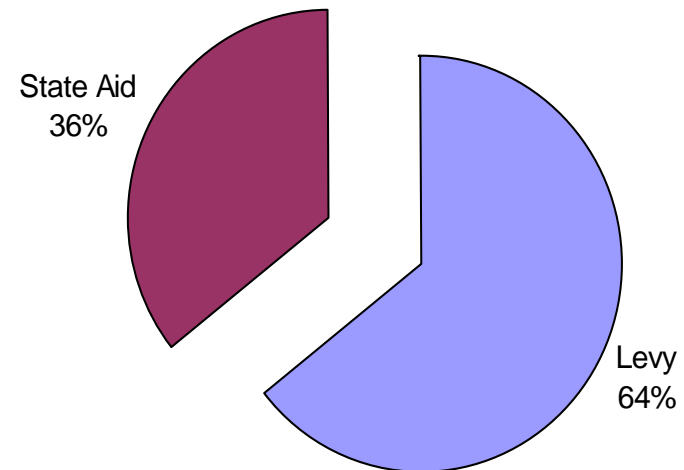
Spring Lake Park School District 16

Operating Capital Revenue

Pay 2005 Levy and Aid



Pay 2006 Levy and Aid



The district's total revenue remains constant; the source of the revenue component 'shifts' from a state aid to a local levy

Spring Lake Park School District 16

COMMUNITY SERVICE FUND

	Proposed Payable 2006 Amount	Payable 2005 Amount	Dollar Change	Percent Change
Basic Levy (includes Youth Services Levy of \$23,986)	\$ 178,504	\$ 173,947	\$ 4,557	2.6%
Early Childhood Levy	146,933	146,789	\$ 144	0.1%
Home Visitation Levy	2,682	2,680	\$ 2	0.1%
School Age Care	50,000	40,000	\$ 10,000	25.0%
Prior Year Levy Adjustments	4,511	2,606	\$ 1,905	73.1%
Abatements	(52)	364	\$ (416)	-114.4%
COMMUNITY SERVICE FUND TOTAL	\$ 382,577	\$ 366,385	\$ 16,192	4.4%

Spring Lake Park School District 16

DEBT SERVICE FUND

	Proposed Payable 2006 Amount	Payable 2005 Amount	Dollar Change	Percent Change
Required Levy of 105% of Scheduled Principal and Interest	\$ 2,927,190	\$ 3,022,772	\$ (95,582)	-3.2%
Retain debt excess	-	-	\$ -	N/A
Prior Year Levy Adjustments	(2,622)	-	\$ (2,622)	N/A
Abatements	4,477	3,308	\$ 1,169	35.3%
DEBT SERVICE FUND SUB-TOTAL	2,929,044	3,026,080	(97,036)	-3.2%
Reduction for Debt Service Fund	(27,796)	-	\$ (27,796)	
DEBT SERVICE FUND TOTALS	\$ 2,901,249	\$ 3,026,080	\$ (124,831)	-4.1%

Taxpayer Implications

Spring Lake Park School District 16

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

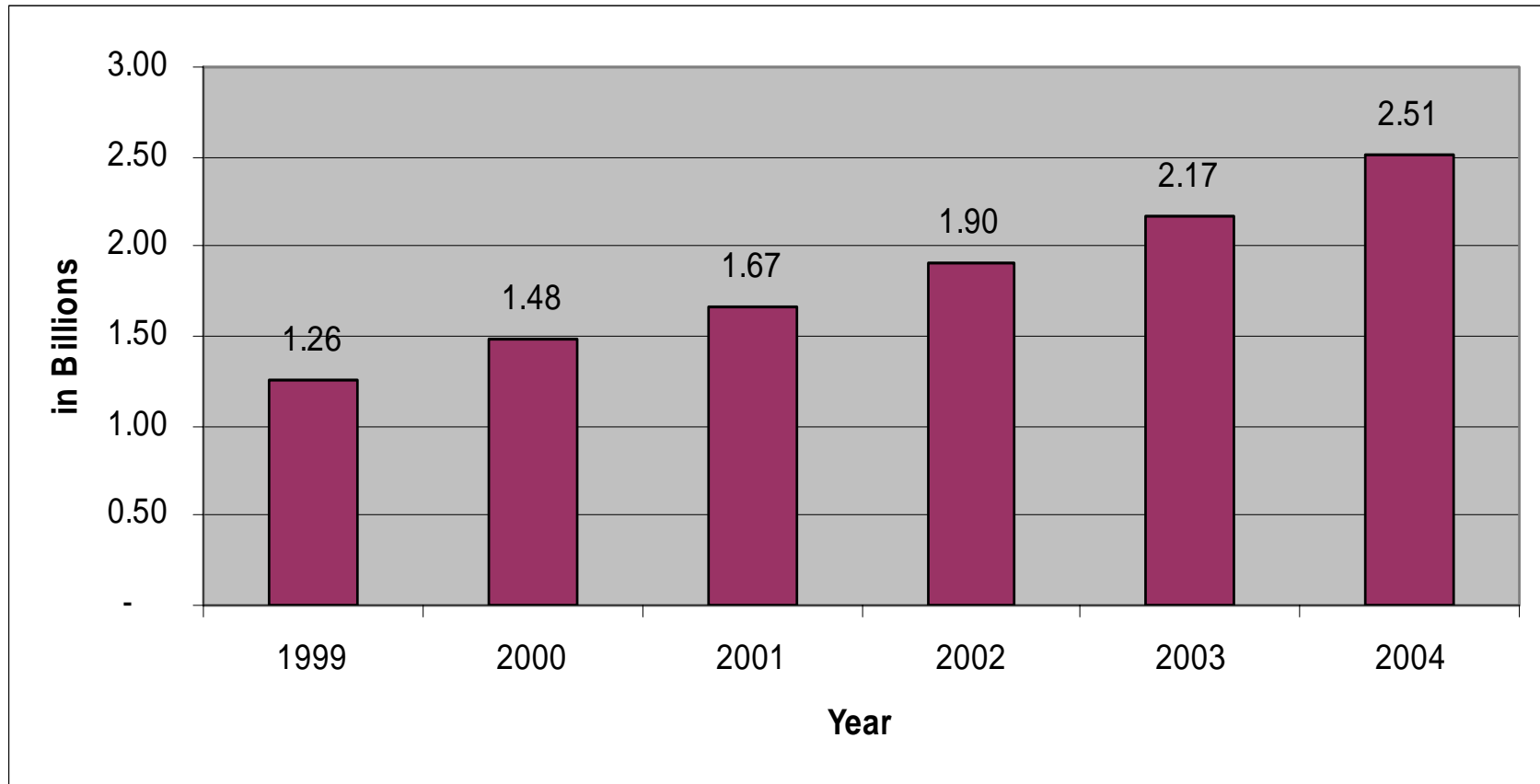
1. Changes in Levy components
2. Changes in market values
3. Changes in tax capacity
4. Voter approved Referendums

Changes in Levy Components

Changes in Market Value

Spring Lake Park District 16

Market Value History



Changes in Market Value

2005 Value versus 2006 Value
Average Home Value Comparisons

10.0% Increase In Value
\$200,000 to \$220,000

Net Tax Capacity Increase
\$2,000 to \$2,200

Spring Lake Park School District 16

Changes in Market Value

The market values are final and are not a subject for the upcoming budget hearings. They were discussed at the local board of review and county board of equalization hearings held earlier this year. The final taxable market values may reflect a reduction under the limited value law. If this property is a qualifying homestead, the final taxable market values may exclude improvements which you made to this property.

Spring Lake Park School District 16

Your Proposed Property Tax Statement for 2006

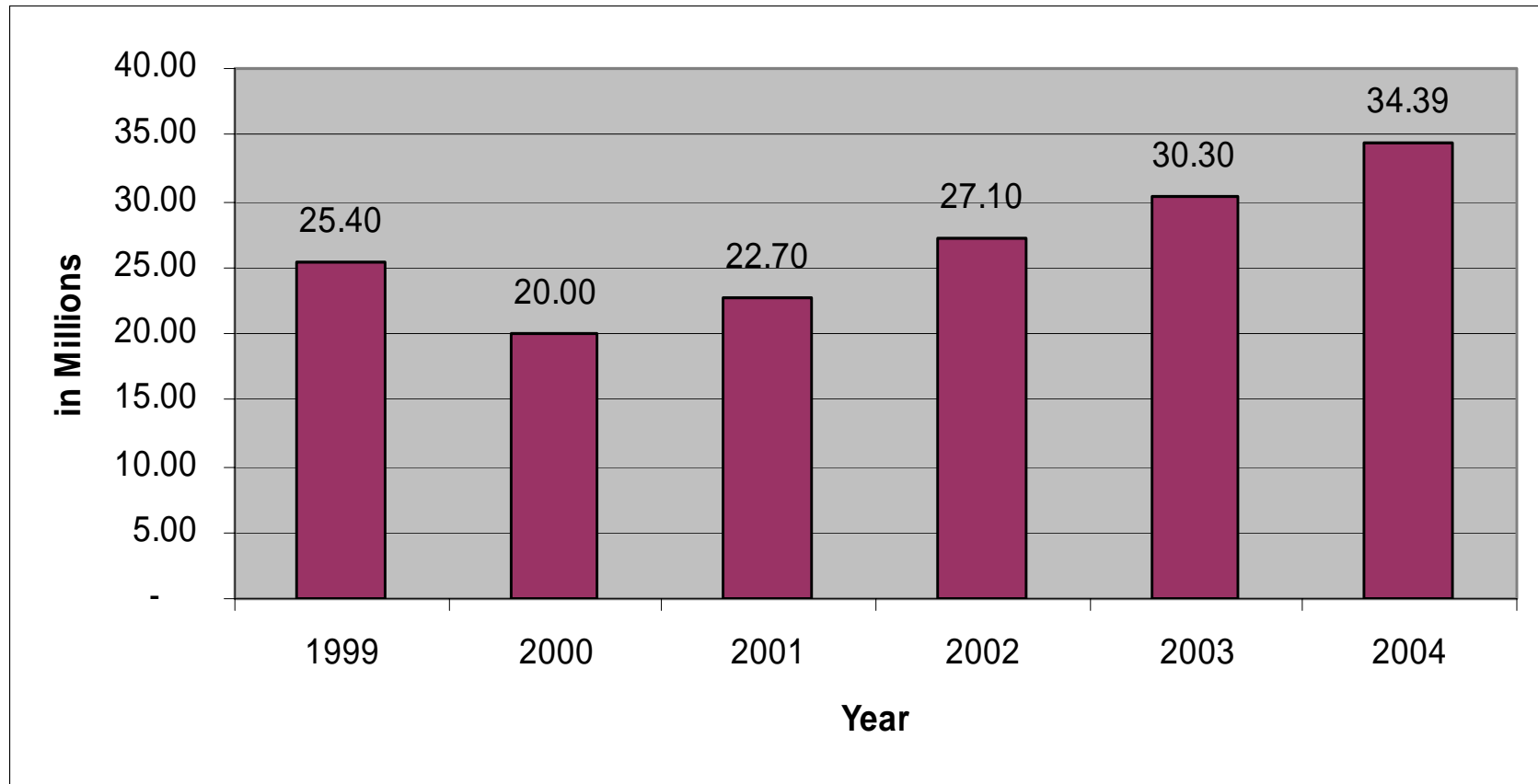
Increased Market Value

		Taxes Payable in 2005	Taxes Payable in 2006	
	Property Classification	Res Hstd	Res Hstd	
	Taxable Market Value	\$ 195,000	\$ 211,200	
		(1)	(2)	
		Actual 2005 Property Tax	Actual 2006 Property Tax	Percent Change
<i>Total Excluding Special Assessments</i>		\$ 1,853.14	\$ 2,018.68	8.90%
COUNTY OF ANOKA:				
CITY OF BLAINE				
STATE GENERAL TAX				
SPRING LAKE PARK DISTRICT #16		\$ 0.00	\$ 0.00	
VOTER APPROVED SCHOOL LEVIES		\$ 467.14	\$ 441.35	
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Changes in Tax Capacity

Spring Lake Park District 16

Adjusted Net Tax Capacity History



Spring Lake Park School District 16

Class Rates Payable 1998-2002 and after

Class Rates							
		Payable	Payable	Payable	Payable	Payable	
Property Type		1998	1999	2000	2001	2002 and after	
Residential Homestead:							
	< \$76,000*	1.000%	1.000%	1.000%	1.000%	1.000%	
	> \$76,000 - \$500,000	1.850%	1.700%	1.650%	1.650%	1.000%	
	Over \$500,000	1.850%	1.700%	1.650%	1.650%	1.250%	
Residential Non-homestead:							
	Single Unit:						
	<\$76,000	1.900%	1.250%	1.200%	1.200%	1.000%	
	>\$76,000	2.100%	1.700%	1.650%	1.650%	1.000%	
	Over \$500,000	2.100%	1.700%	1.650%	1.650%	1.250%	
	2-3 unit and undeveloped land	2.100%	1.700%	1.650%	1.650%	1.500%	
Market Rate Apartments:							
	Regular	2.900%	2.500%	2.400%	2.400%	1.800%	
	Small City	2.300%	2.150%	2.150%	2.150%	1.800%	
Low Income Apartments:							
	New Class 4d		1.000%	1.000%	1.000%	0.900%	
Commercial/Industrial/Public Utility:							
	<\$150,000	2.700%	2.450%	2.400%	2.400%	1.500%	
	>\$150,000	4.000%	3.500%	3.400%	3.400%	2.000%	

Source: Minnesota Department of Revenue

Spring Lake Park School District 16

➤ How do these changes impact the average Spring Lake Park School District Taxpayer?

Spring Lake Park School District 16

Your Proposed Property Tax Statement for 2006

8-12% increase in Market Value

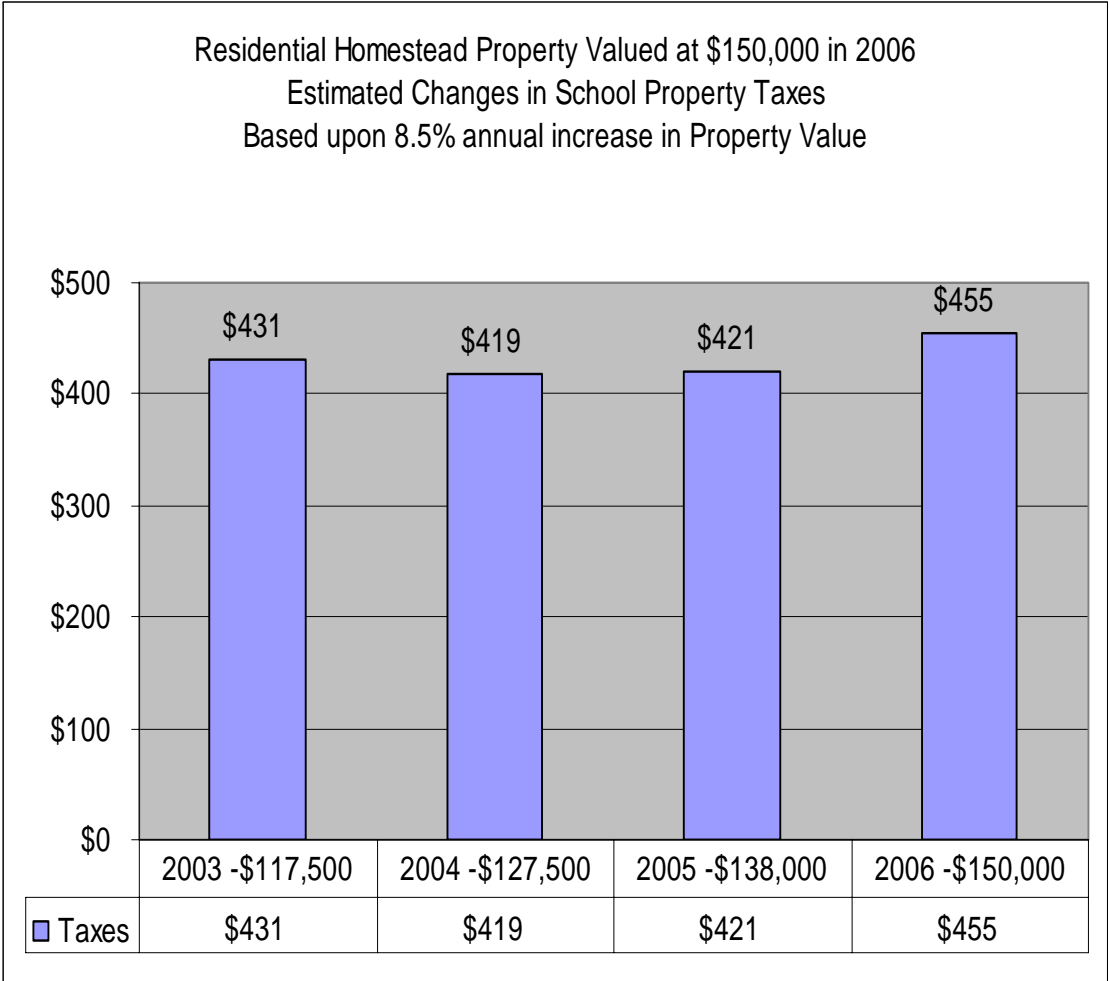
		Taxes Payable in 2005	Taxes Payable in 2006
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Decrease in Voter Approved levies

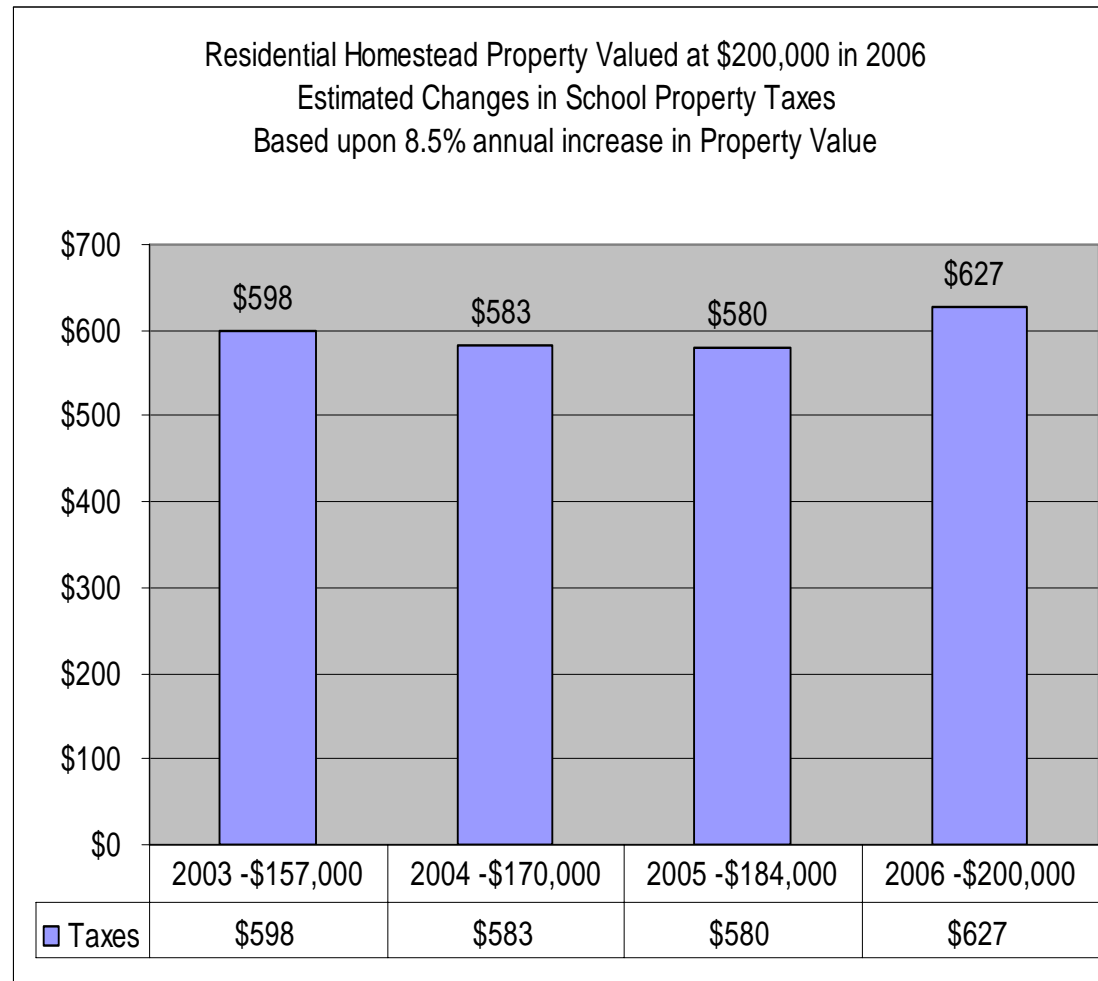
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Change in Other Local Levies

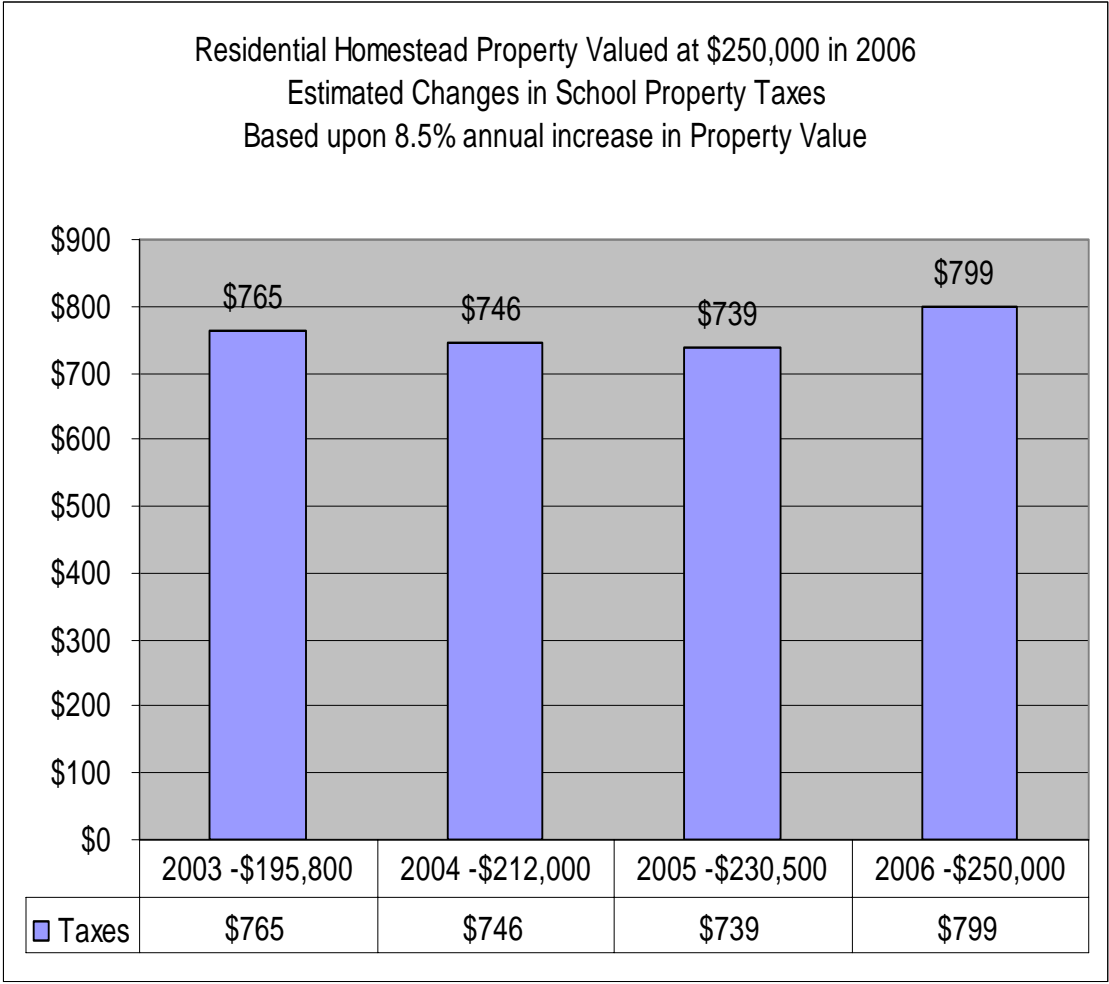
Spring Lake Park School District 16



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Spring Lake Park School District 16

- Available Property Tax Refunds for Interested Parties

Spring Lake Park School District 16

Property Tax Refunds

- **Regular Refund (Circuit Breaker)**
 - Household income up to \$81,600
 - Refund up to \$1530
 - Form M1-PR

Spring Lake Park School District 16

Property Tax Refund (Targeting)

- **Special Refund (Targeting)**
 - No income limitations
 - Net property tax must increase 12% and more than \$100
 - Form M1-PR
 - May be eligible even if not eligible for the regular refund

Minnesota Department of Revenue
(651) 296-3781

Spring Lake Park School District 16

Senior Citizen Property Tax Deferral Program

- The Senior Citizen Property Tax Deferral Program was established to help senior citizens who were having difficulty paying their property taxes. This deferral program has two primary advantages for senior citizens.
- It limits the maximum amount of property tax you pay to 3 percent of your total household income and,
- It provides predictability. The amount of tax you pay will not change for as long as you participate in this program.
- The Senior Citizens Property Tax Deferral program allows people 65 years of age or older, and whose household incomes are \$60,000 or less, to defer a portion of their property tax on their home property.

You must apply by July 1st through the Anoka County Auditors Office

Minnesota Department of Revenue (651) 296-3781

Spring Lake Park School District 16

Public Comments/Questions/Discussion

Spring Lake Park School District 16

Adjournment

