

# 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 2007 to pay for the costs of the district for the 2007-2008 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 5, 2006 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 2007
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 2006	Set dates and location of levy hearings
September 2006	Certify proposed levy
November 2006	County mails levy notices to property owners
December 5, 2006	Public hearing on levy
December 12, 2006	Certify final tax levy

# Spring Lake Park School District 16

Your Proposed Property Tax for 2007

County of Anoka

		2006		2007	
	Property Classification	Res Hstd		Res Hstd	
	Taxable Market Value	\$ 276,000		\$ 294,600	6.7%
		(1)		(2)	
		Actual 2006 Property Tax		Proposed 2007 Property Tax	Percent Change
<i>Total Excluding Special Assessments</i>		\$ 2,768.75		\$ 3,076.96	11.10%
COUNTY OF ANOKA:					
GENERAL COUNTY LEVY		\$ 840.94		\$ 868.57	
REGIONAL RAIL AUTHORITY		\$ 34.75		\$ 36.70	
COUNTY/MUNICIPAL PUBLIC SAFETY RADIO SYSTEM		\$ 11.71		\$ 11.27	
CITY OF BLAINE		\$ 838.83		\$ 869.24	
STATE GENERAL TAX		\$ -		\$ -	
SPRING LAKE PARK DISTRICT #16					
VOTER APPROVED SCHOOL LEVIES		\$ 586.72		\$ 819.47	
OTHER LOCAL SCHOOL LEVIES		\$ 295.43		\$ 314.32	
METROPOLITAN SPECIAL TAXING DISTRICTS		\$ 76.30		\$ 73.64	
OTHER SPECIAL TAXING DISTRICTS		\$ 84.07		\$ 83.75	
TAX INCREMENT/FISCAL DISPARITY		\$ 0.00		\$ -	

# Spring Lake Park School District 16

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# School District Funding

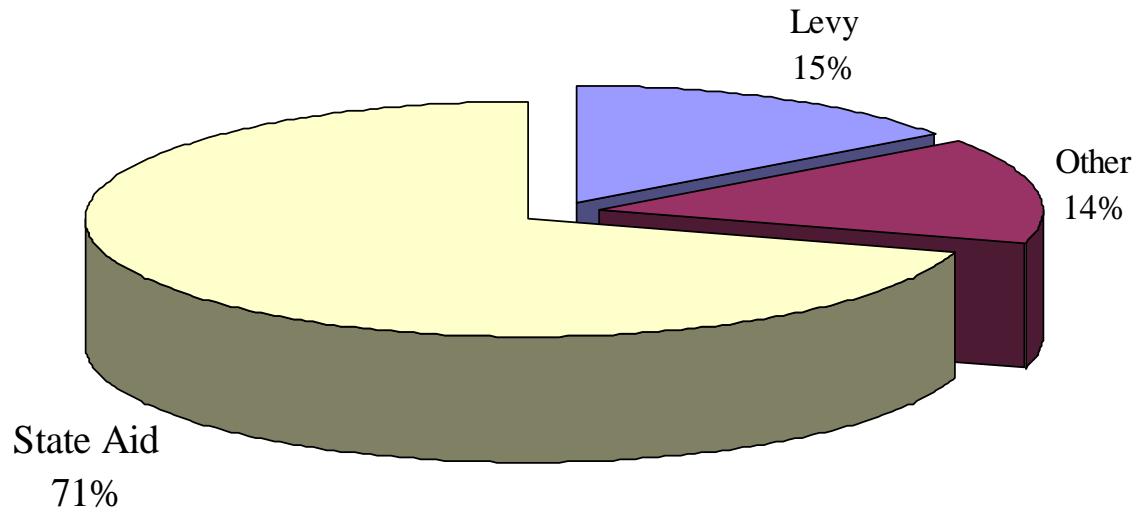
Revenue Sources

Expenditure Categories

Student Enrollment Growth

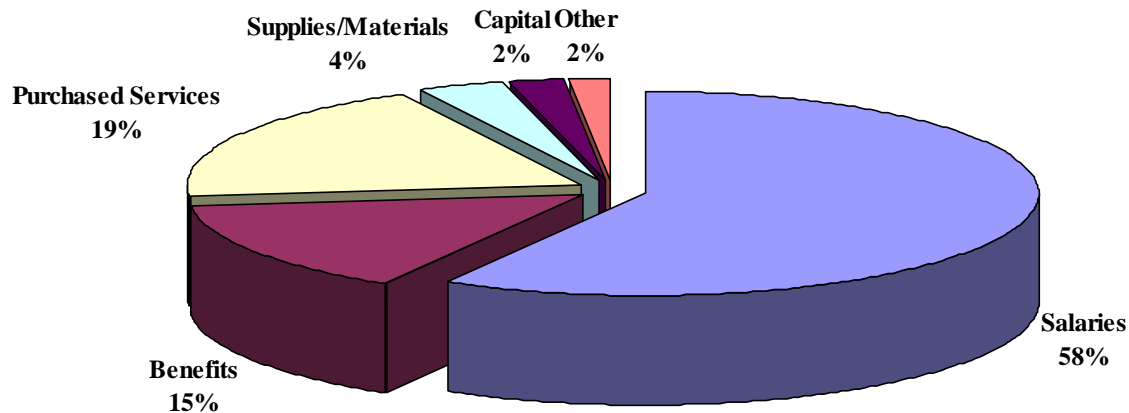
# Spring Lake Park School District 16

## 2005-2006 District Revenue Sources



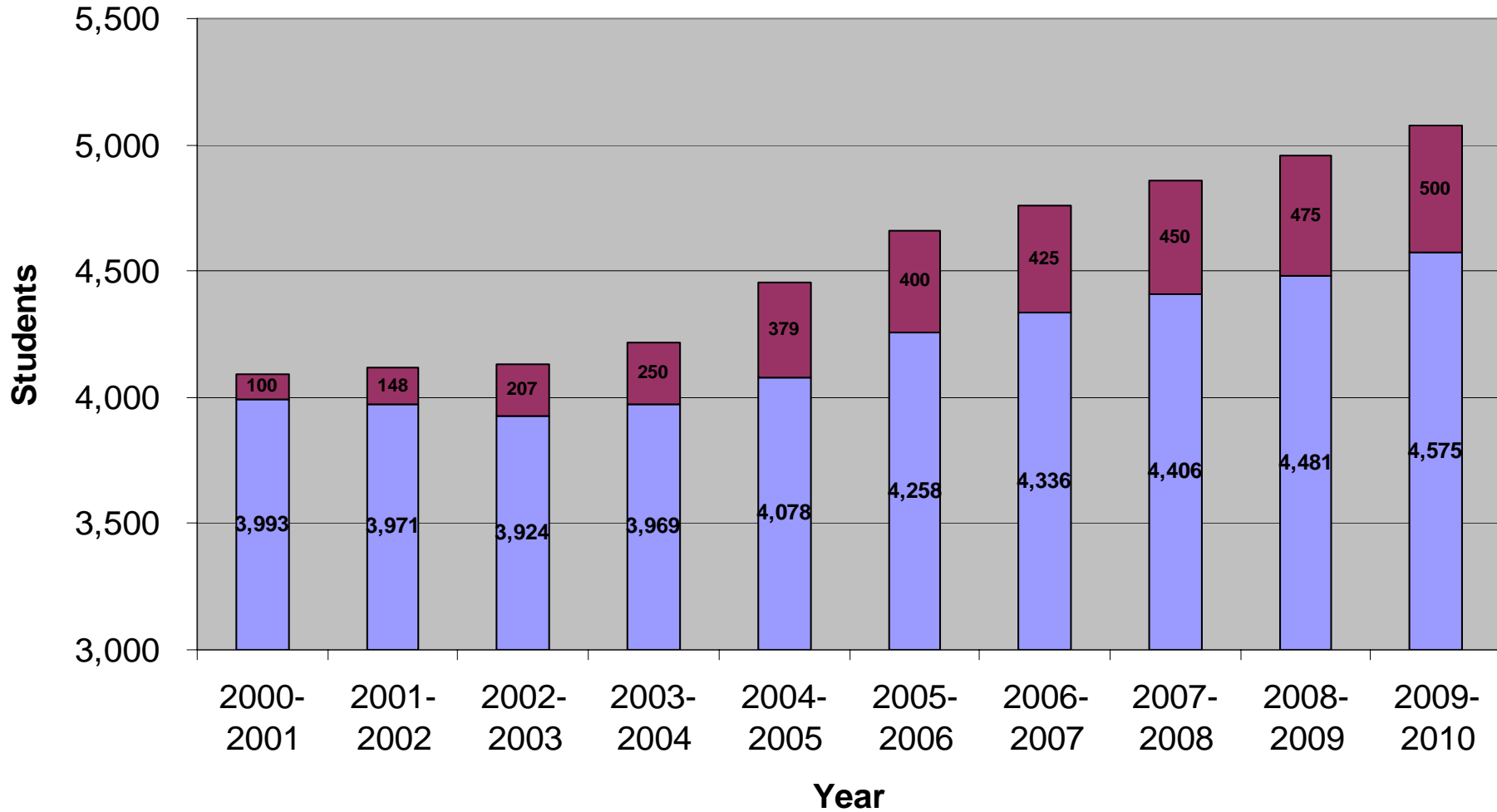
# Spring Lake Park School District 16

## 2005-2006 General Fund Expenditures by Classification



# Spring Lake Park School District 16

## Student Enrollment Grades K - 12 and Learning Alternative Programs



Source: November 1, 2006 Enrollment Projections Report

# School District Budget

Current School Year

2006-2007

The 2007-08 budget will be set in the spring of 2007 and adopted by the Board in June 2007.

# **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

	Audited Fund Balance 7/1/2006	Adopted Revenue Budget 2006-2007	Adopted Expenditure Budget 2006-2007	Adopted Change in Fund Balance	Adopted Fund Balance 6/30/2007
Operating Funds					
General Fund					
Unreserved/Undesignated					
Fund Balance	\$ 884,710	\$ 35,708,381	\$ 35,697,874	\$ 10,507	\$ 895,217
General Fund					
Reserved/Designated Fund Balance					
Reserve - Severance/ Health Benefits	684,466	500,000	500,000	-	\$ 684,466
Reserve - Health & Safety	1,382,742	(604,066)	533,200	(1,137,266)	\$ 245,476
Reserve - Area Learning Center	218,432	2,300,000	2,297,200	2,800	\$ 221,232
Reserve - Operating Capital	513,456	1,636,193	1,547,904	88,289	\$ 601,745
Reserve - Certain Programs	267,689	-	-	-	\$ 267,689
Designated - Student Activities	96,099	200,000	200,000	-	\$ 96,099
Designated - Voc Land	419,600	-	-	-	\$ 419,600
Other Designated	80,000	-	-	-	80,000
General Fund	\$ 4,547,194	\$ 39,740,508	\$ 40,776,178	\$ (1,035,670)	\$ 3,511,524
Food Service Fund	152,189	1,700,836	1,670,704	30,132	\$ 182,321
Community Service Fund	(21,901)	2,100,000	2,100,000	-	\$ (21,901)
<b>Total Operating Funds</b>	<b>\$ 4,677,482</b>	<b>\$ 43,541,344</b>	<b>\$ 44,546,882</b>	<b>\$ (1,005,538)</b>	<b>\$ 3,671,944</b>
Non Operating Funds					
Alternative Facilities	-	1,542,000	-	1,542,000	\$ 1,542,000
Debt Service Fund	1,434,758	3,100,000	4,577,729	(1,477,729)	\$ (42,971)
Trust and Agency Fund	75,343	100,000	100,000	-	\$ 75,343
<b>Total All Funds</b>	<b>\$ 6,187,583</b>	<b>\$ 48,283,344</b>	<b>\$ 49,224,611</b>	<b>\$ (941,267)</b>	<b>\$ 5,246,316</b>

Source: Fiscal Year 2006-2007 Adopted Budget

# Spring Lake Park School District 16

## General Fund

	Revised Budget	Percent of	Adopted Budget	Percent of
CLASSIFICATION	2005-2006	Total	2006-2007	Total
EXPENDITURES:				
District and School Administration	\$ 1,741,245	4.5%	\$ 1,800,560	4.4%
District Support Services	\$ 1,390,440	3.6%	\$ 1,458,900	3.6%
Instruction (Regular, Vocational, and Special Education)	\$ 24,393,540	63.6%	\$ 25,755,014	63.2%
Instructional Support Services	\$ 3,050,401	8.0%	\$ 3,137,650	7.7%
Pupil Support Services	\$ 3,477,695	9.1%	\$ 3,748,450	9.2%
Sites, Buildings, Equipment	\$ 3,730,145	9.7%	\$ 4,485,804	11.0%
Fiscal/Other Fixed Costs	\$ 584,100	1.5%	\$ 389,800	1.0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 38,367,566</b>		<b>\$ 40,776,178</b>	

Source: Fiscal Year 2006-2007 Adopted Budget

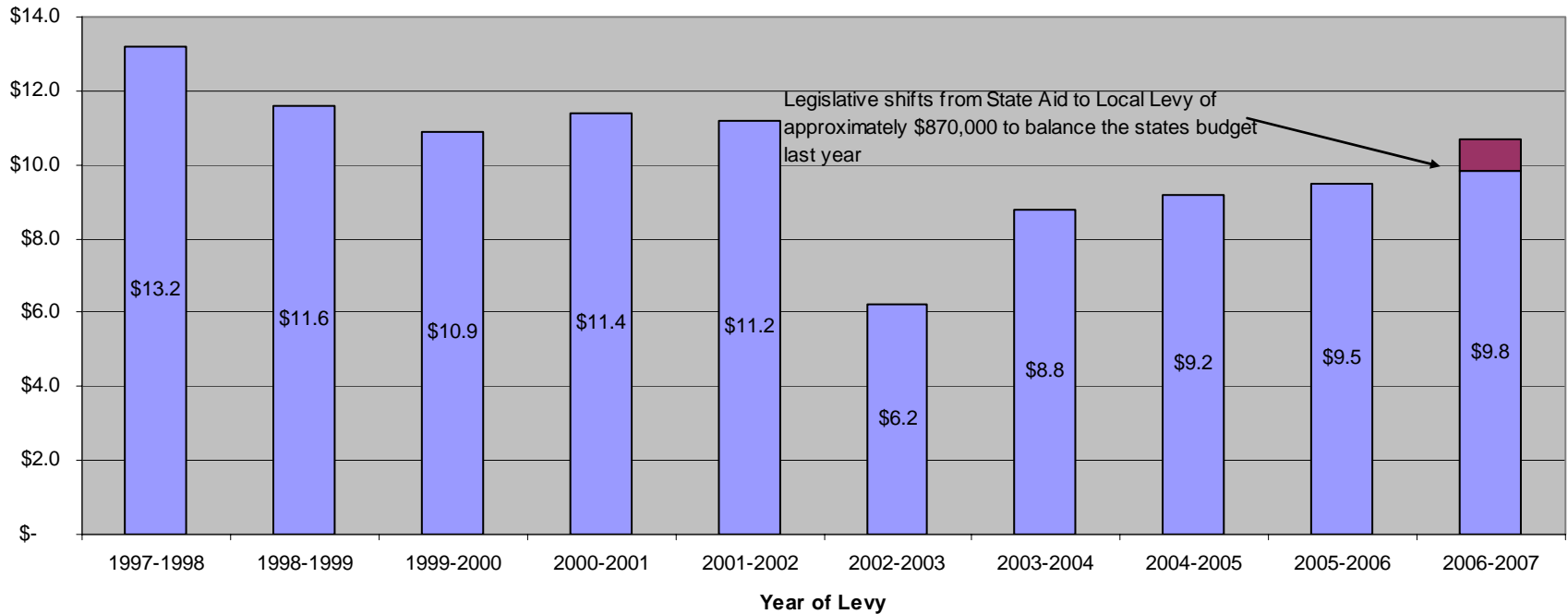
# Levy Information

Levy 2006 Payable 2007  
2007-2008 School Year  
Fiscal Year 2008

# Spring Lake Park School District 16

## Levy History

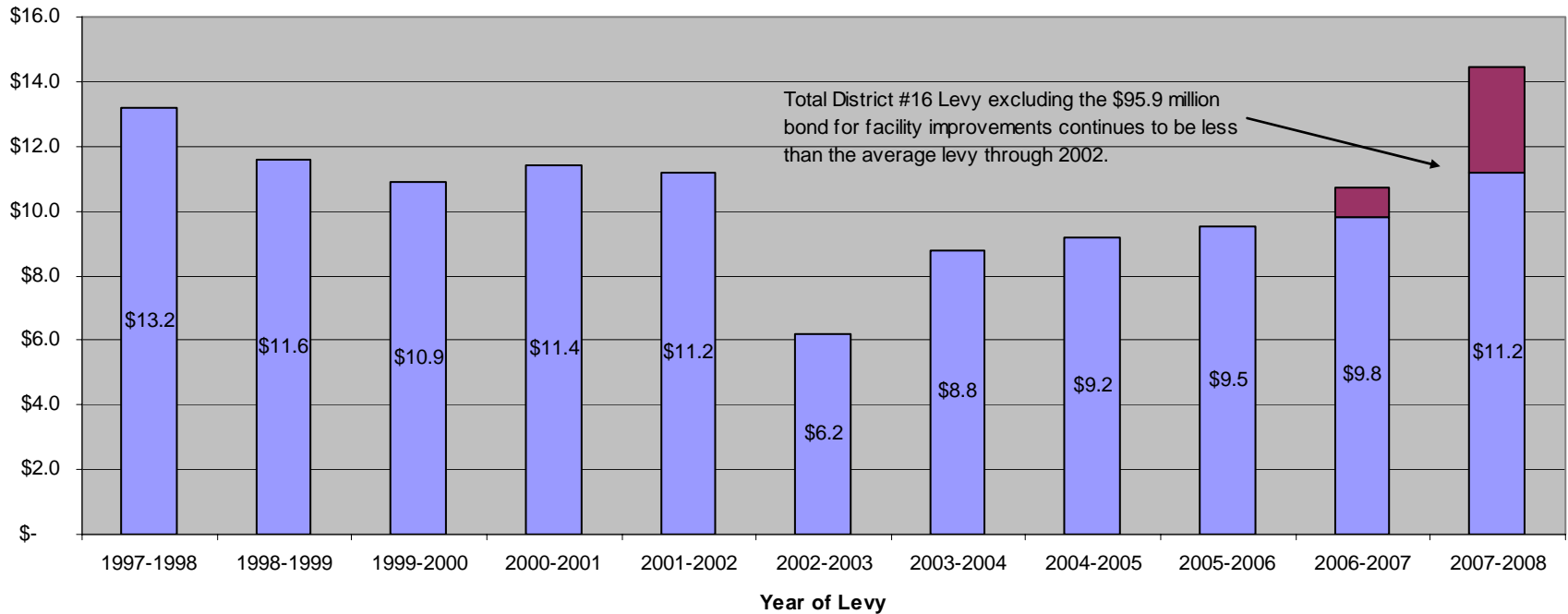
Spring Lake Park District 16  
Local Taxpayer Levy History



# Spring Lake Park School District 16

## Levy History

Spring Lake Park District 16  
Local Taxpayer Levy History



# Spring Lake Park School District 16

## Total Levy by Fund

<u>FUND</u>	<u>PROPOSED 2007 LEVY</u>	<u>PAYABLE 2006 LEVY</u>	<u>CHANGE</u>	<u>PERCENT CHANGE</u>
General	\$ 7,925,774	\$ 7,389,442	\$ 536,332	7.26%
Community Service	\$ 414,052	\$ 382,577	\$ 31,475	8.23%
Debt Service	\$ 6,176,346	\$ 2,929,044	\$ 3,247,301	110.87%
Less: Debt Service Excess	\$ -	\$ (27,796)	\$ 27,796	
<b>TOTAL</b>	<b>\$ 14,516,172</b>	<b>\$ 10,673,268</b>	<b>\$ 3,842,904</b>	<b>36.00%</b>

# Spring Lake Park School District 16

## GENERAL FUND

	Proposed Payable 2007 Amount	Payable 2006 Amount	Dollar Change	Percent Change
Referendum Levy Authority	\$ 4,222,805	\$ 4,238,991	\$ (16,186)	-0.4%
Transition	240,737	232,790	7,946	3.4%
Equity * (Equalized)	544,295	514,156	30,139	5.9%
Operating Capital * (Equalized)	746,480	705,521	40,959	5.8%
Safe Schools/Crime Levy	143,867	139,118	4,749	3.4%
Health and Safety	1,085,528	930,581	154,947	16.7%
Lease Levy	495,510	487,104	8,406	1.7%
Career Technical	68,475	68,475	-	0.0%
Deferred Maintenance	319,703	-	319,703	
Lost Interest Earnings	-	20,807	(20,807)	-100.0%
Unemployment	50,000	50,000	-	
Abatements	8,374	1,898	6,476	341.2%
<b>GENERAL FUND TOTALS</b>	<b><u>\$ 7,925,774</u></b>	<b><u>\$ 7,389,442</u></b>	<b><u>\$ 536,332</u></b>	<b><u>7.3%</u></b>

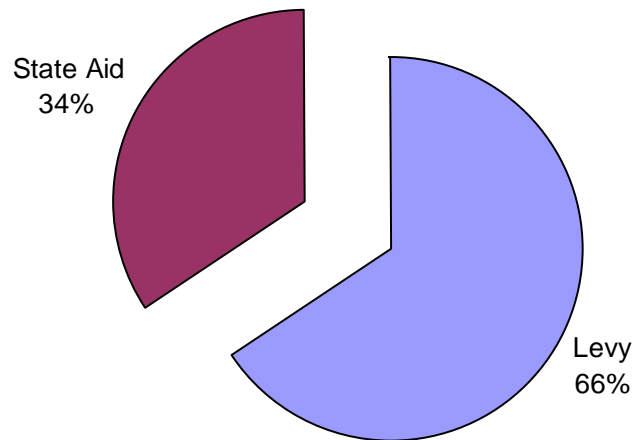
\* These levy components represent a "shift" from state aid to levy per Session Laws 2005.

Note: Each levy component is net of adjustments.

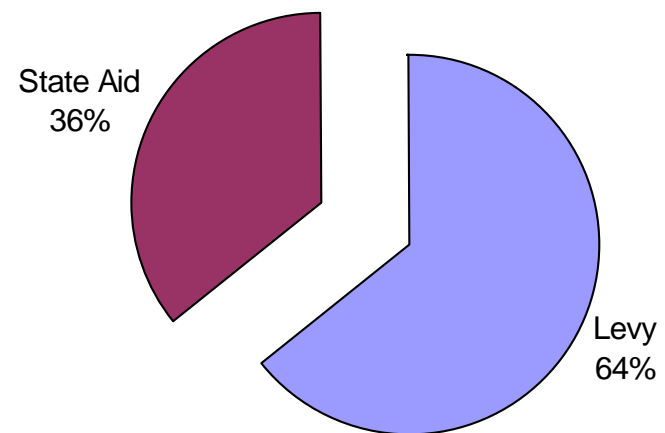
# Spring Lake Park School District 16

## Operating Capital Revenue

Pay 2007 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 2007 Amount	Payable 2006 Amount	Dollar Change	Percent Change
Basic Levy *	\$ 192,923	\$ 178,504	\$ 14,419	8.1%
Early Childhood Levy	143,446	146,933	\$ (3,487)	-2.4%
Home Visitation Levy	2,640	2,682	\$ (42)	-1.6%
School Age Care	65,000	50,000	\$ 15,000	30.0%
Prior Year Levy Adjustments	9,609	4,511	\$ 5,098	113.0%
Abatements	434	(52)	\$ 486	-926.8%
<b>COMMUNITY SERVICE FUND TOTALS</b>	<b>\$ 414,052</b>	<b>\$ 382,577</b>	<b>\$ 31,475</b>	<b>8.2%</b>

\* Change reflects increase in population.

# Spring Lake Park School District 16

	<b><u>DEBT SERVICE FUND</u></b>			
	(includes 2006 Bond referendum)			
	Proposed Payable 2007 Amount	Payable 2006 Amount	Dollar Change	Percent Change
Required Levy of 105% of Scheduled Principal and Interest	\$ 6,150,858	\$ 2,927,190	\$ 3,223,668	110.1%
JobZ non exempt	22,200	-	\$ 22,200	
Prior Year Levy Adjustments	-	(2,622)	\$ 2,622	-100.0%
Abatements	3,288	4,477	\$ (1,189)	-26.6%
<b>DEBT SERVICE FUND SUB-TOTAL</b>	<b>6,176,346</b>	<b>2,929,044</b>	<b>3,247,301</b>	<b>110.9%</b>
Reduction for Debt Service Fund	-	(27,796)	\$ 27,796	-100.0%
<b>DEBT SERVICE FUND TOTALS</b>	<b>\$ 6,176,346</b>	<b>\$ 2,901,249</b>	<b>\$ 3,275,097</b>	<b>112.9%</b>

# Taxpayer Implications

# Spring Lake Park School District 16

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

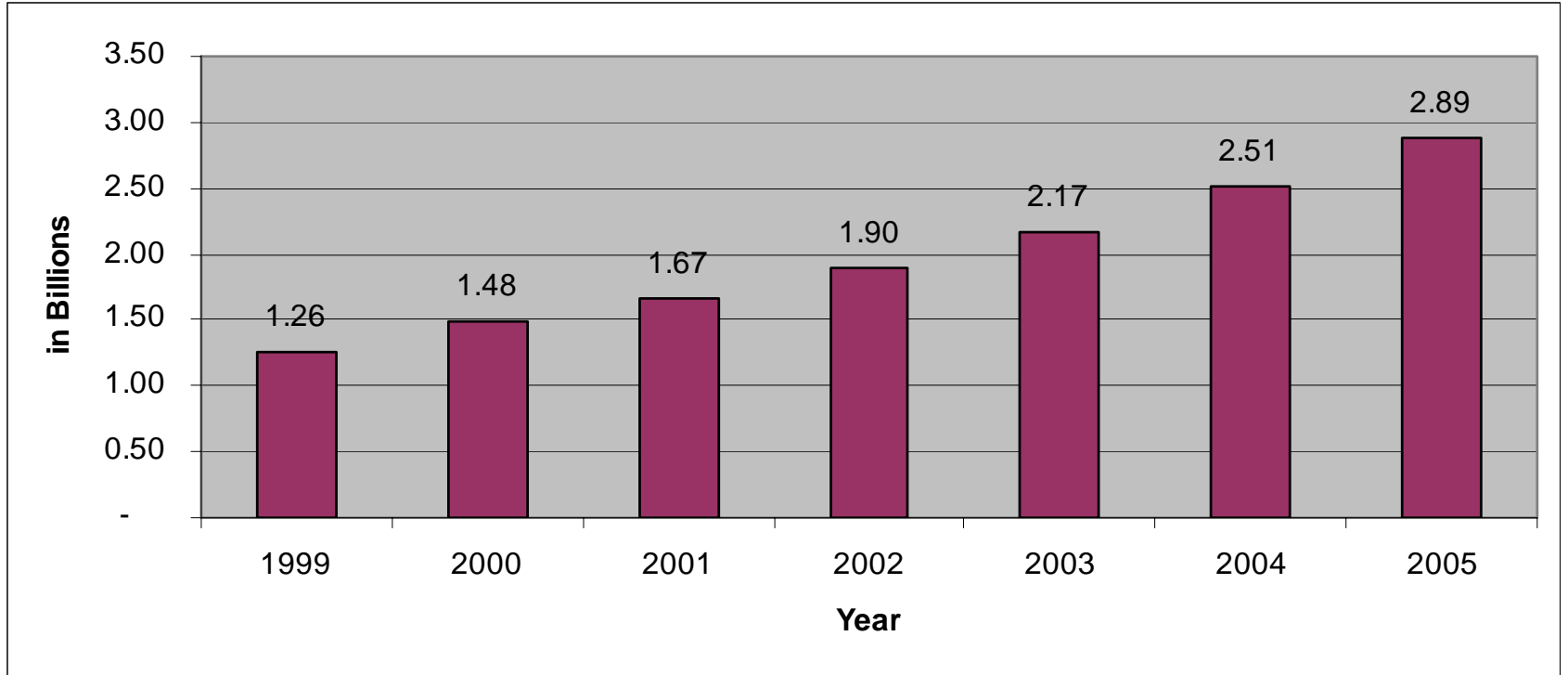
1. Changes in Levy components
2. Changes in market values
3. Changes in tax capacity
4. Voter approved Referendums

# Changes in Levy Components

# Changes in Market Value

# Spring Lake Park District 16

## Market Value History



# Changes in Market Value

2006 Value versus 2007 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 not set by the District.

The market values 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 2007

Increased Market Value

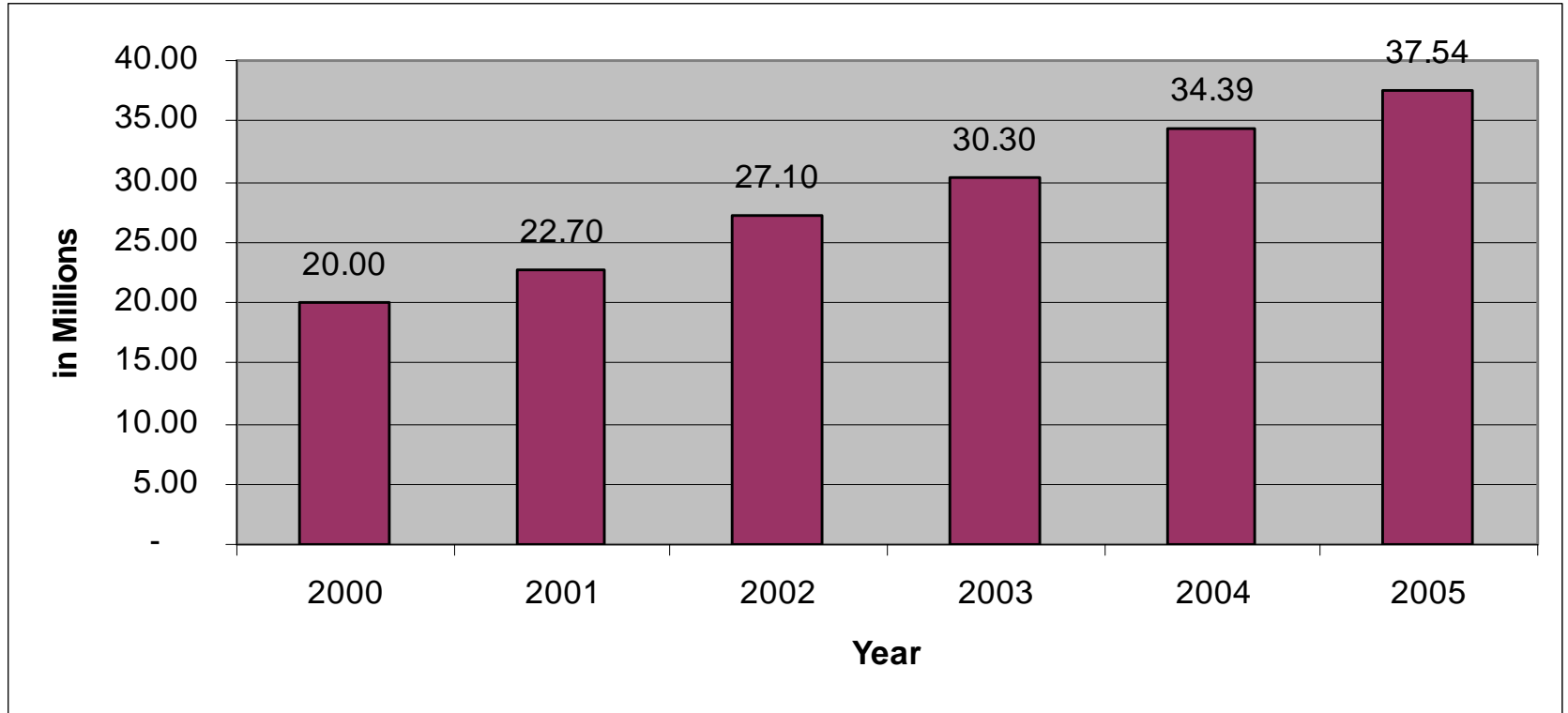


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	Property Classification			
	Taxable Market Value	\$ 276,000	\$ 294,600	
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COUNTY OF ANOKA:				
CITY OF BLAINE				
STATE GENERAL TAX				
SPRING LAKE PARK DISTRICT #16		\$ 0.00	\$ 0.00	
VOTER APPROVED SCHOOL LEVIES		\$ 586.72	\$ 819.47	
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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

<b>Class Rates</b>							
		<b>Payable</b>	<b>Payable</b>	<b>Payable</b>	<b>Payable</b>	<b>Payable</b>	
<b><u>Property Type</u></b>		<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002 and after</u></b>	
<b>Residential Homestead:</b>							
	< \$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%	
<b>Residential Non-homestead:</b>							
	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%	
<b>Market Rate Apartments:</b>							
	Regular	2.900%	2.500%	2.400%	2.400%	1.800%	
	Small City	2.300%	2.150%	2.150%	2.150%	1.800%	
<b>Low Income Apartments:</b>							
	New Class 4d		1.000%	1.000%	1.000%	0.900%	
<b>Commercial/Industrial/Public Utility:</b>							
	<\$150,000	2.700%	2.450%	2.400%	2.400%	1.500%	
	>\$150,000	4.000%	3.500%	3.400%	3.400%	2.000%	

# 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

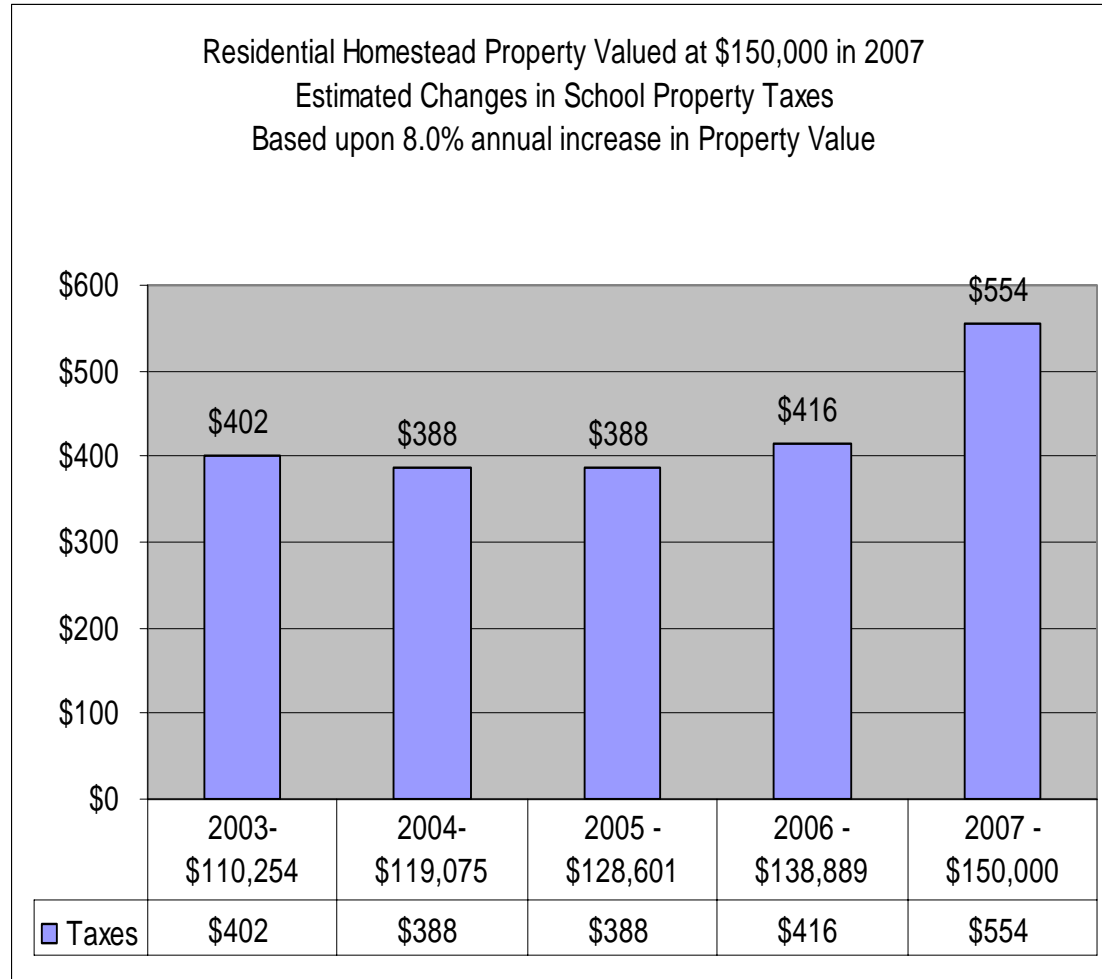
8-12% increase in Market Value

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Change in Voter Approved levies

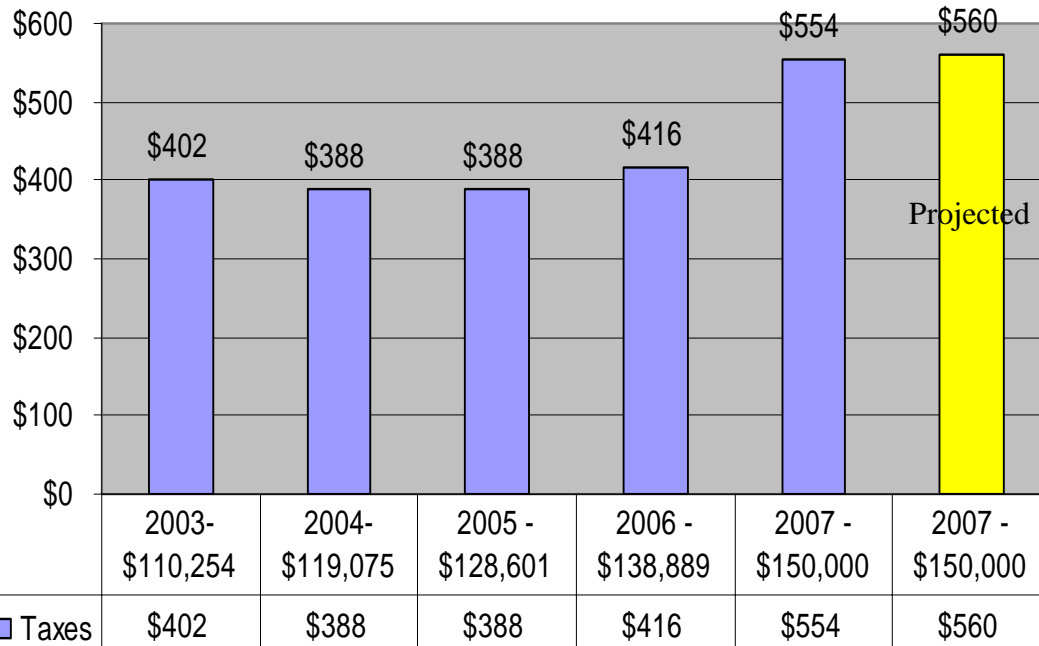
Change in Other Local Levies

# Spring Lake Park School District 16

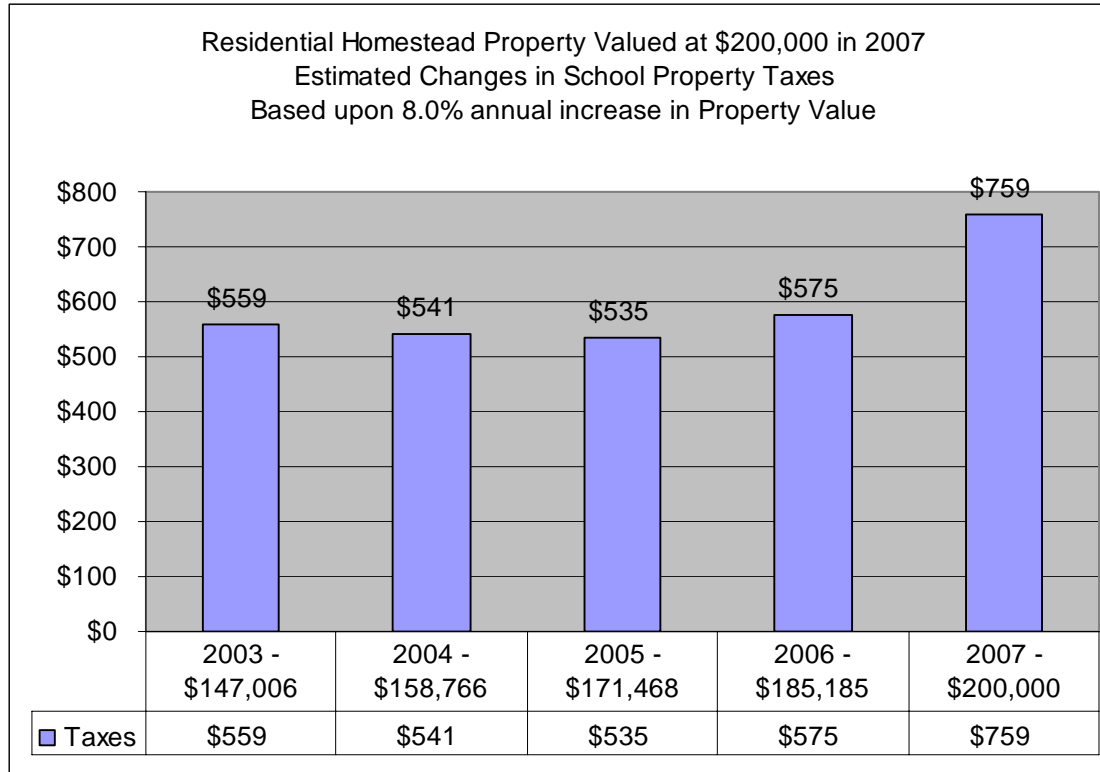


# Spring Lake Park School District 16

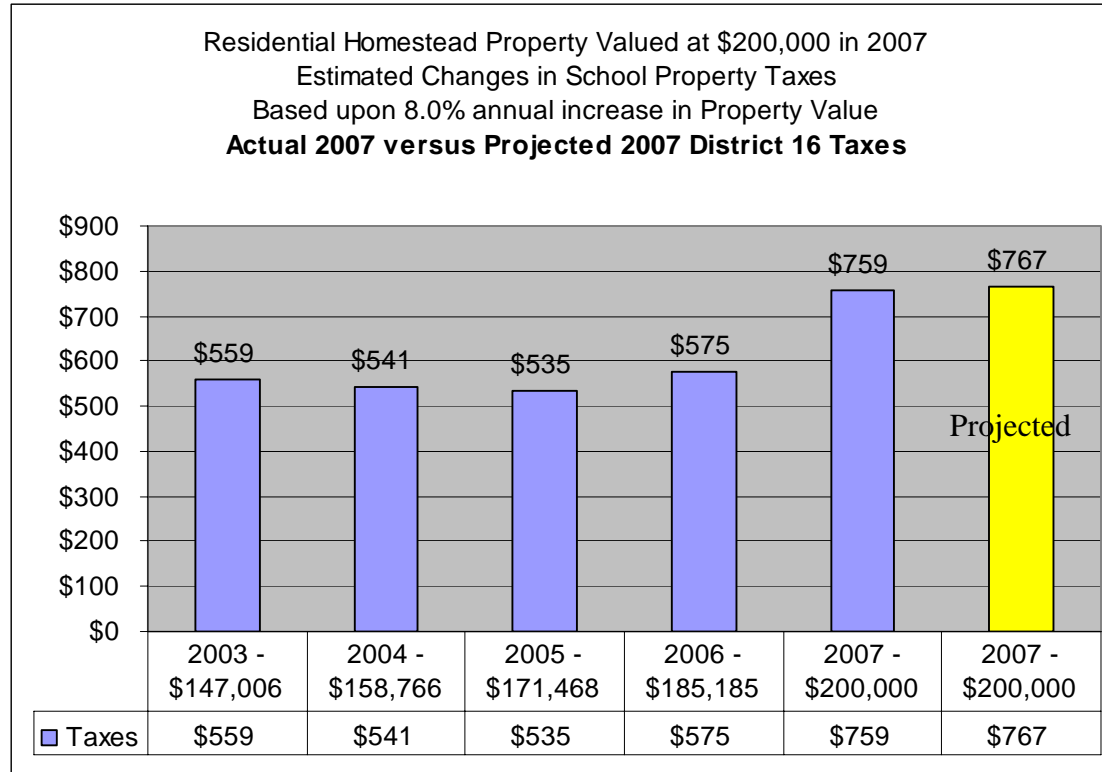
Residential Homestead Property Valued at \$150,000 in 2007  
 Estimated Changes in School Property Taxes  
 Based upon 8.0% annual increase in Property Value  
**Actual 2007 versus Projected 2007 District 16 Taxes**



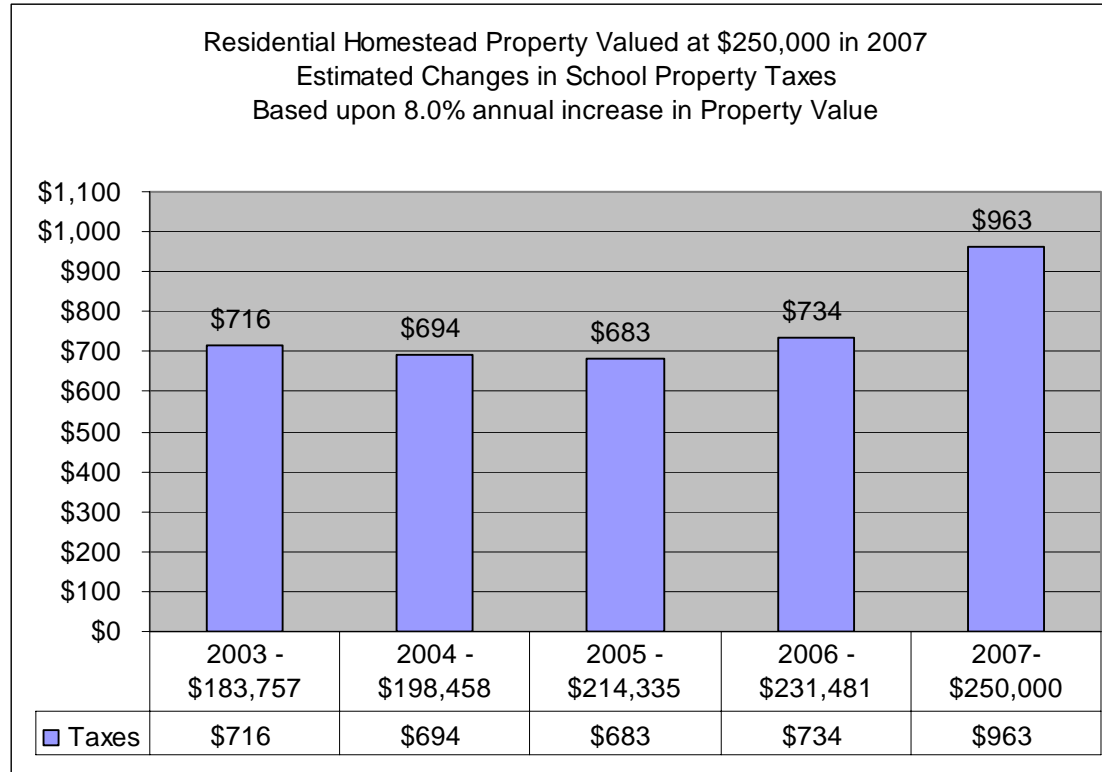
# Spring Lake Park School District 16



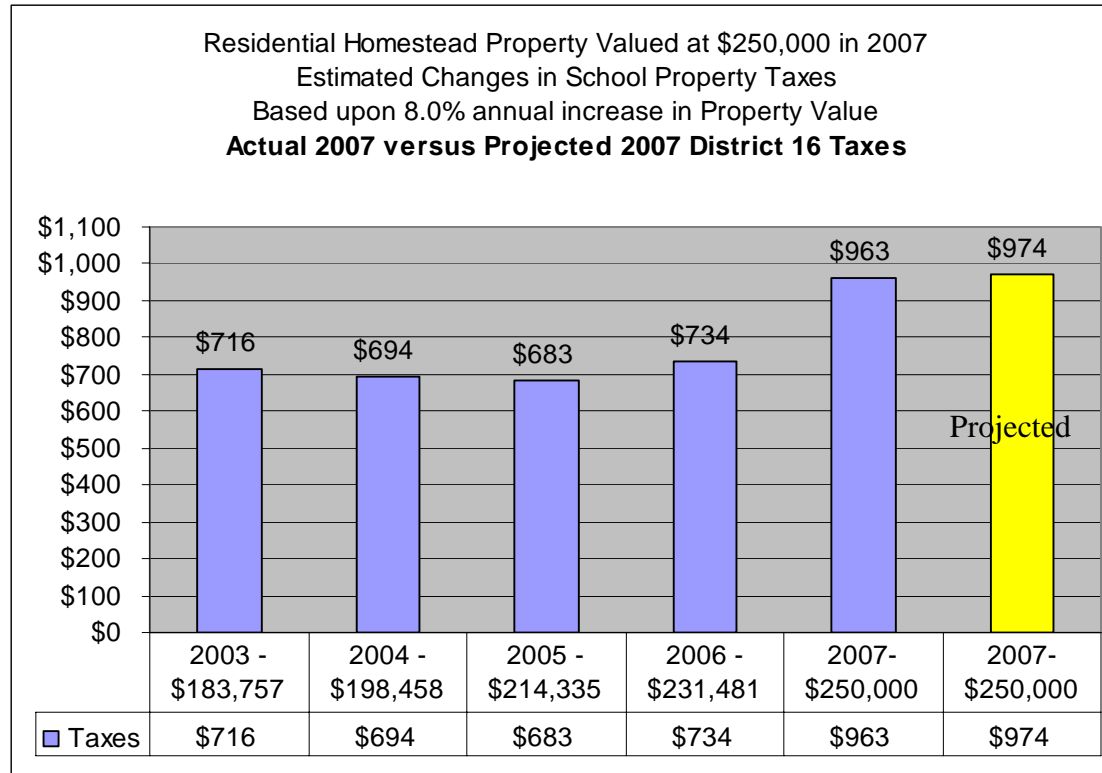
# Spring Lake Park School District 16



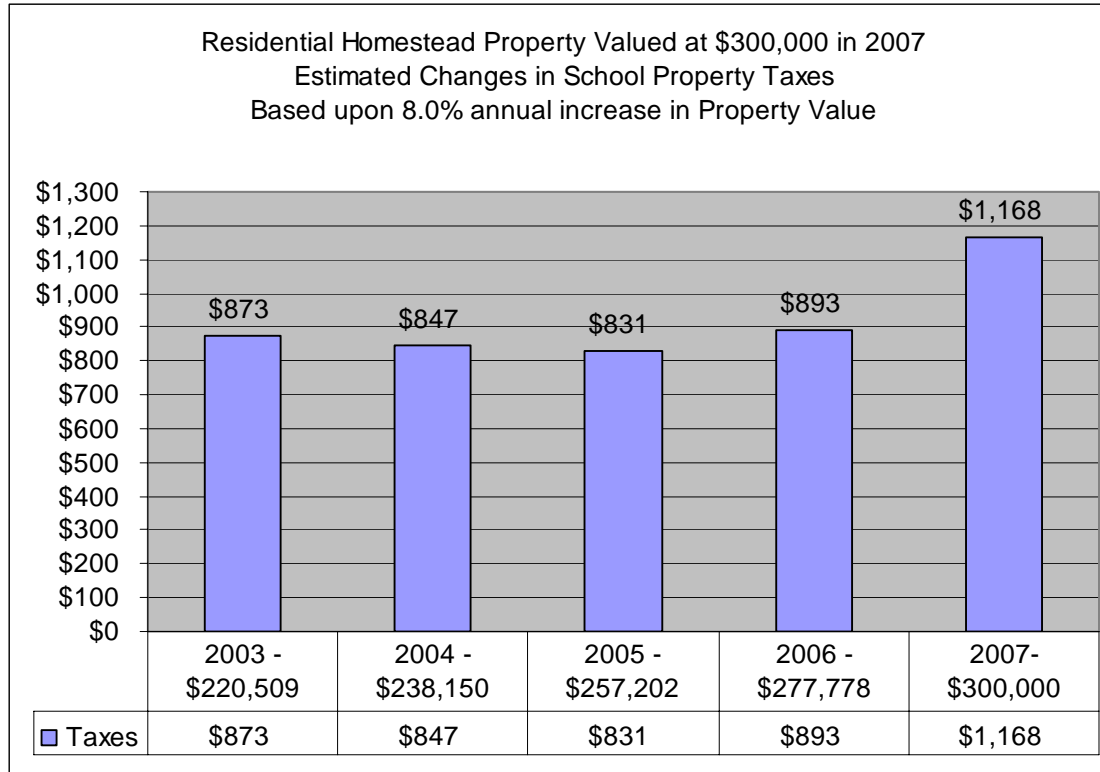
# Spring Lake Park School District 16



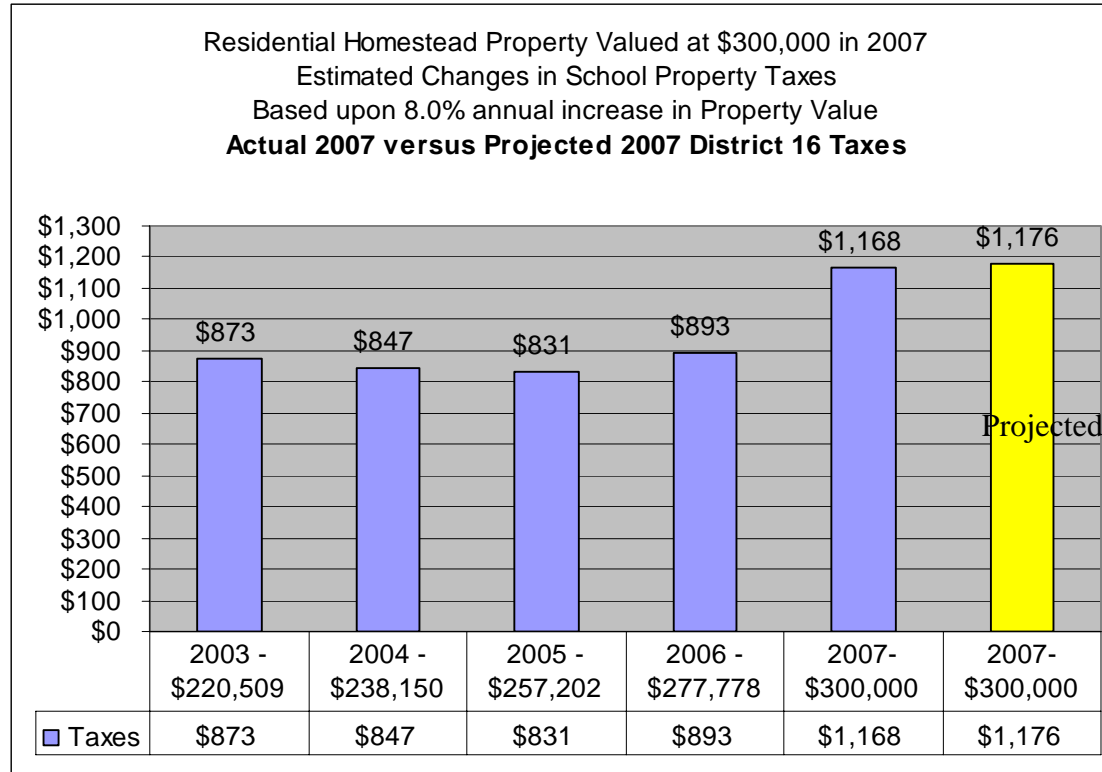
# Spring Lake Park School District 16



# Spring Lake Park School District 16



# Spring Lake Park School District 16



# 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 \$87,780
  - 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**

# Spring Lake Park School District 16

## Contrast of City/County Levy Cycle to School District Levy Cycle

