

Spring Lake Park School District 16

The following is the presentation from the:

School District 16
Truth in Taxation
Public Hearing

Tuesday, December 4, 2007

Questions? Contact Jim Westrum, business manager, at 763-785-5505 or jwestr@district16.org

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 2008 to pay for the costs of the district for the 2008-2009 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 4, 2007 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 2008
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 2007	Set dates and location of levy hearings
September 2007	Certify proposed levy
November 2007	County mails levy notices to property owners
December 4, 2007	Public hearing on levy
December 11, 2007	Certify final tax levy

Spring Lake Park School District 16

Your Proposed Property Tax for 2008

County of Anoka

	Property Classification	2007 Res Hstd	2008 Res Hstd	
	Taxable Market Value	\$ 242,400	\$ 254,600	5.0%
		(1)	(2)	
		Actual 2007 Property Tax	Proposed 2008 Property Tax	Percent Change
<i>Total Excluding Special Assessments</i>		\$ 2,426.09	\$ 2,654.54	9.4%
COUNTY OF ANOKA:				
GENERAL COUNTY LEVY		\$ 692.64	\$ 743.83	
REGIONAL RAIL AUTHORITY		\$ 29.27	\$ 58.28	
COUNTY/MUNICIPAL PUBLIC SAFETY RADIO SYSTEM		\$ 8.98	\$ 8.96	
CITY OF BLAINE		\$ 685.16	\$ 716.75	
STATE GENERAL TAX		\$ -	\$ -	
SPRING LAKE PARK DISTRICT #16				
VOTER APPROVED SCHOOL LEVIES		\$ 662.56	\$ 683.72	
OTHER LOCAL SCHOOL LEVIES		\$ 252.40	\$ 345.01	
METROPOLITAN SPECIAL TAXING DISTRICTS		\$ 57.94	\$ 60.73	
OTHER SPECIAL TAXING DISTRICTS		\$ 37.14	\$ 37.26	
TAX INCREMENT/FISCAL DISPARITY		\$ 0.00	\$ -	

Spring Lake Park School District 16

Your Proposed Property Tax for 2008

County of Anoka

		2007		2008	
	Property Classification	Res Hstd		Res Hstd	
	Taxable Market Value	\$ 242,400		\$ 254,600	5.0%
		(1)		(2)	
		Actual 2007 Property Tax		Proposed 2008 Property Tax	Percent Change
<i>Total Excluding Special Assessments</i>		\$ 2,426.09		\$ 2,654.54	9.4%
COUNTY OF ANOKA:					
GENERAL COUNTY LEVY		\$ 692.64		\$ 743.83	
REGIONAL RAIL AUTHORITY		\$ 29.27		\$ 58.28	
COUNTY/MUNICIPAL PUBLIC SAFETY RADIO SYSTEM		\$ 8.98		\$ 8.96	
CITY OF BLAINE		\$ 685.16		\$ 716.75	
STATE GENERAL TAX		\$ -		\$ -	
SPRING LAKE PARK DISTRICT #16					
VOTER APPROVED SCHOOL LEVIES		\$ 662.56		\$ 683.72	
OTHER LOCAL SCHOOL LEVIES		\$ 252.40		\$ 345.01	
METROPOLITAN SPECIAL TAXING DISTRICTS		\$ 57.94		\$ 60.73	
OTHER SPECIAL TAXING DISTRICTS		\$ 37.14		\$ 37.26	
TAX INCREMENT/FISCAL DISPARITY		\$ 0.00		\$ -	

School District Funding

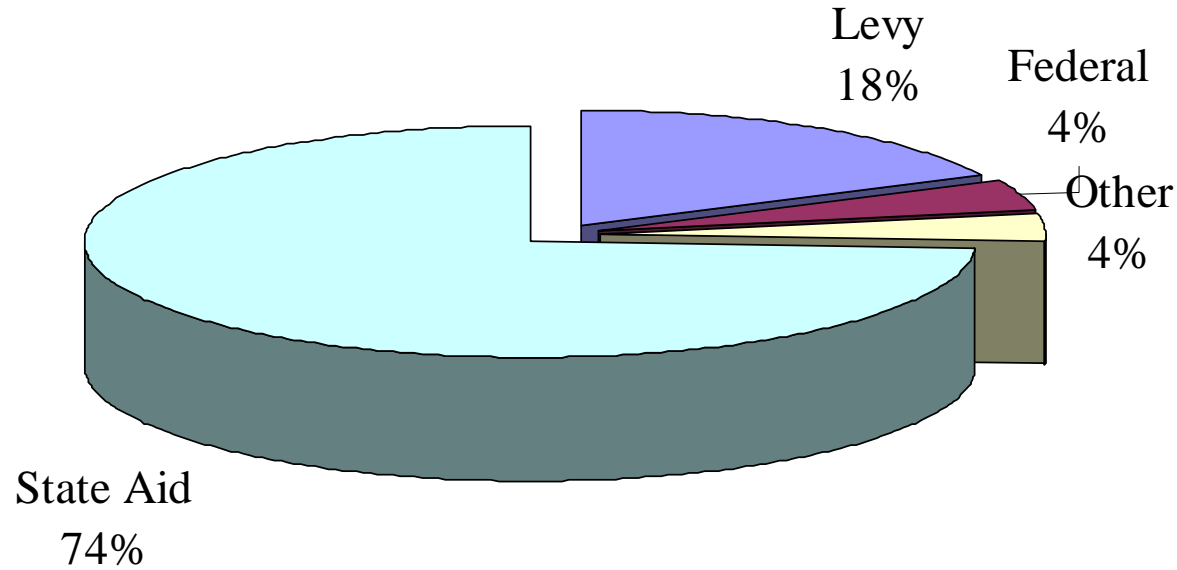
Revenue Sources

Expenditure Categories

Student Enrollment Growth

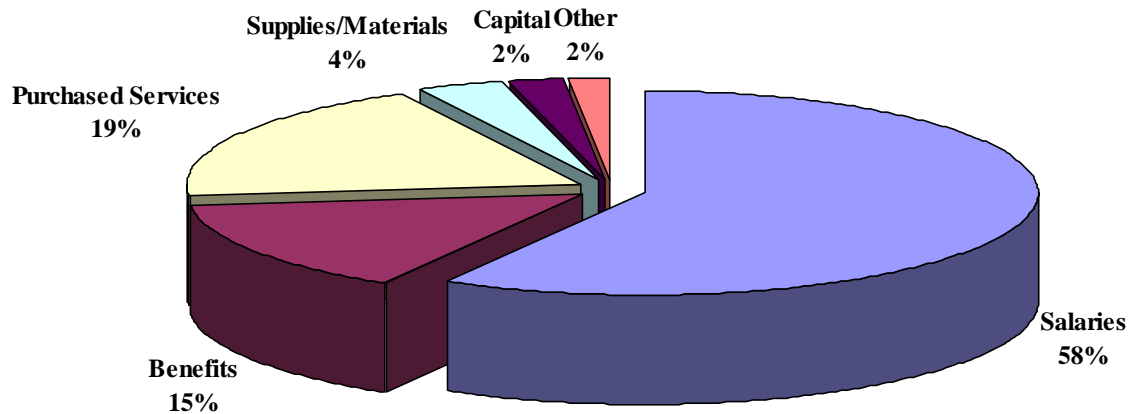
Spring Lake Park School District 16

2007-2008 District Revenue Sources



Spring Lake Park School District 16

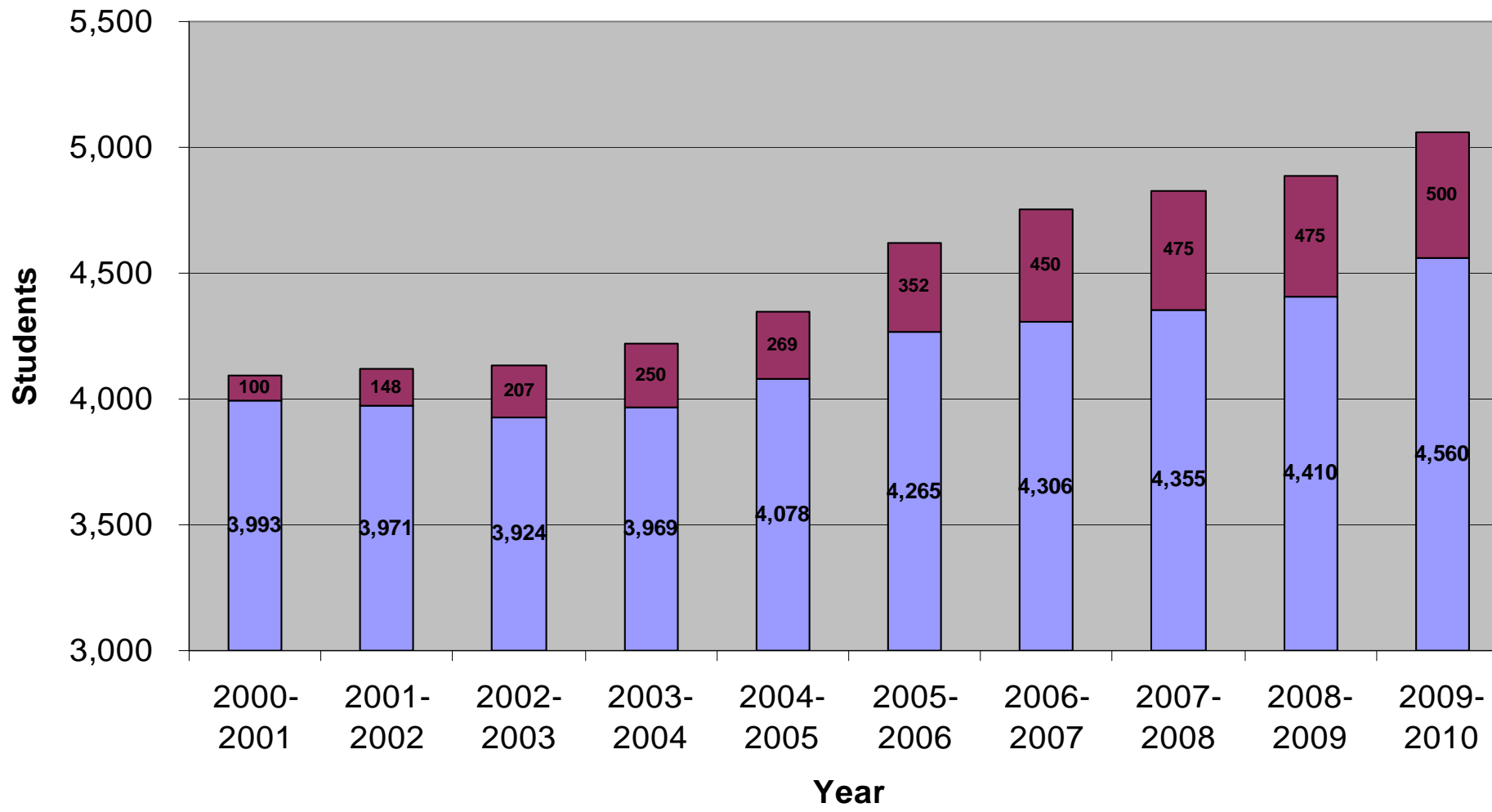
2007-2008 General Fund Expenditures by Classification



Source: Adopted 2007-2008 Budget

Spring Lake Park School District 16

Student Enrollment Grades K - 12 and Learning Alternative Programs



Source: November 1, 2007 Enrollment Projections Report

School District Budget

Current School Year

2007-2008

The 2008-09 budget will be set in the spring of 2008 and adopted by the Board in June 2008.

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 7/1/2007	Adopted Revenue Budget 2007-2008	Adopted Expenditure Budget 2007-2008	Adopted Change in Fund Balance	Adopted Fund Balance 6/30/2008
Operating Funds					
General Fund					
Unreserved/Undesignated					
Fund Balance	\$ 996,506	\$ 39,020,000	\$ 38,940,299	\$ 79,701	\$ 1,076,207
General Fund					
Reserved/Designated Fund Balance					
Reserve - Severance/ Health Benefits	634,459	700,000	700,000	-	634,459
Reserve - Health & Safety	(442)	51,887	336,920	(285,033)	(285,475)
Reserve - Area Learning Center	27,893	2,300,000	2,300,000	-	27,893
Reserve - Operating Capital	595,441	1,920,000	1,920,000	-	595,441
Designated - Student Activities	99,163	200,000	200,000	-	99,163
Designated - Voc Land	419,600	-	-	-	419,600
General Fund	\$ 2,772,620	\$ 44,191,887	\$ 44,397,219	\$ (205,332)	\$ 2,567,288
Food Service Fund	165,951	1,750,000	1,750,000	-	\$ 165,951
Community Service Fund	(27,827)	2,300,000	2,300,000	-	\$ (27,827)
Total Operating Funds	\$ 2,910,744	\$ 48,241,887	\$ 48,447,219	\$ (205,332)	\$ 2,705,412
Non Operating Funds					
Alternative Facilities	(10,000)	1,000,000	2,500,000	(1,500,000)	\$ (1,510,000)
Debt Service Fund	258,154	4,425,000	4,375,000	50,000	\$ 308,154
Trust and Agency Fund	89,305	100,000	100,000	-	\$ 89,305
Total All Funds	\$ 3,248,203	\$ 53,766,887	\$ 55,422,219	\$ (1,655,332)	\$ 1,592,871

Source: Fiscal Year 2007-2008 Adopted Budget

Spring Lake Park School District 16

General Fund

	Revised Budget	Percent of	Adopted Budget	Percent of
CLASSIFICATION	2006-2007	Total	2007-2008	Total
EXPENDITURES:				
District and School Administration	\$ 1,802,720	4.3%	\$ 1,864,795	4.2%
District Support Services	\$ 1,458,900	3.5%	\$ 1,583,915	3.6%
Instruction (Regular, Vocational, and Special Education)	\$ 26,741,125	63.6%	\$ 28,038,495	63.2%
Instructional Support Services	\$ 3,357,680	8.0%	\$ 3,564,285	8.0%
Pupil Support Services	\$ 3,813,550	9.1%	\$ 3,890,830	8.8%
Sites, Buildings, Equipment	\$ 4,451,204	10.6%	\$ 4,985,849	11.2%
Fiscal/Other Fixed Costs	\$ 444,800	1.1%	\$ 469,050	1.1%
TOTAL EXPENDITURES	\$ 42,069,979		\$ 44,397,219	

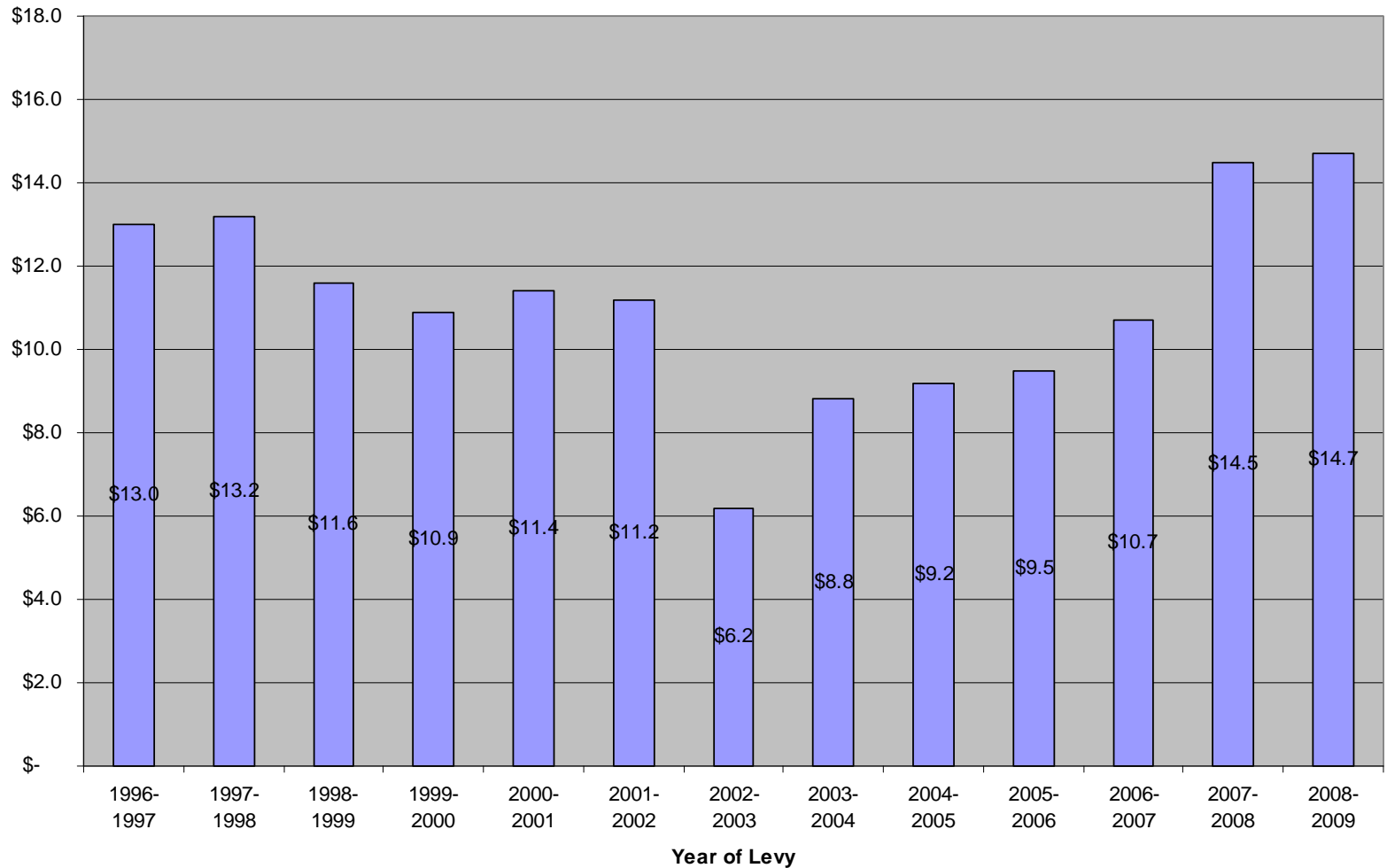
Source: Fiscal Year 2007-2008 Adopted Budget

Levy Information

Levy 2007 Payable 2008
2008-2009 School Year
Fiscal Year 2009

Spring Lake Park School District 16

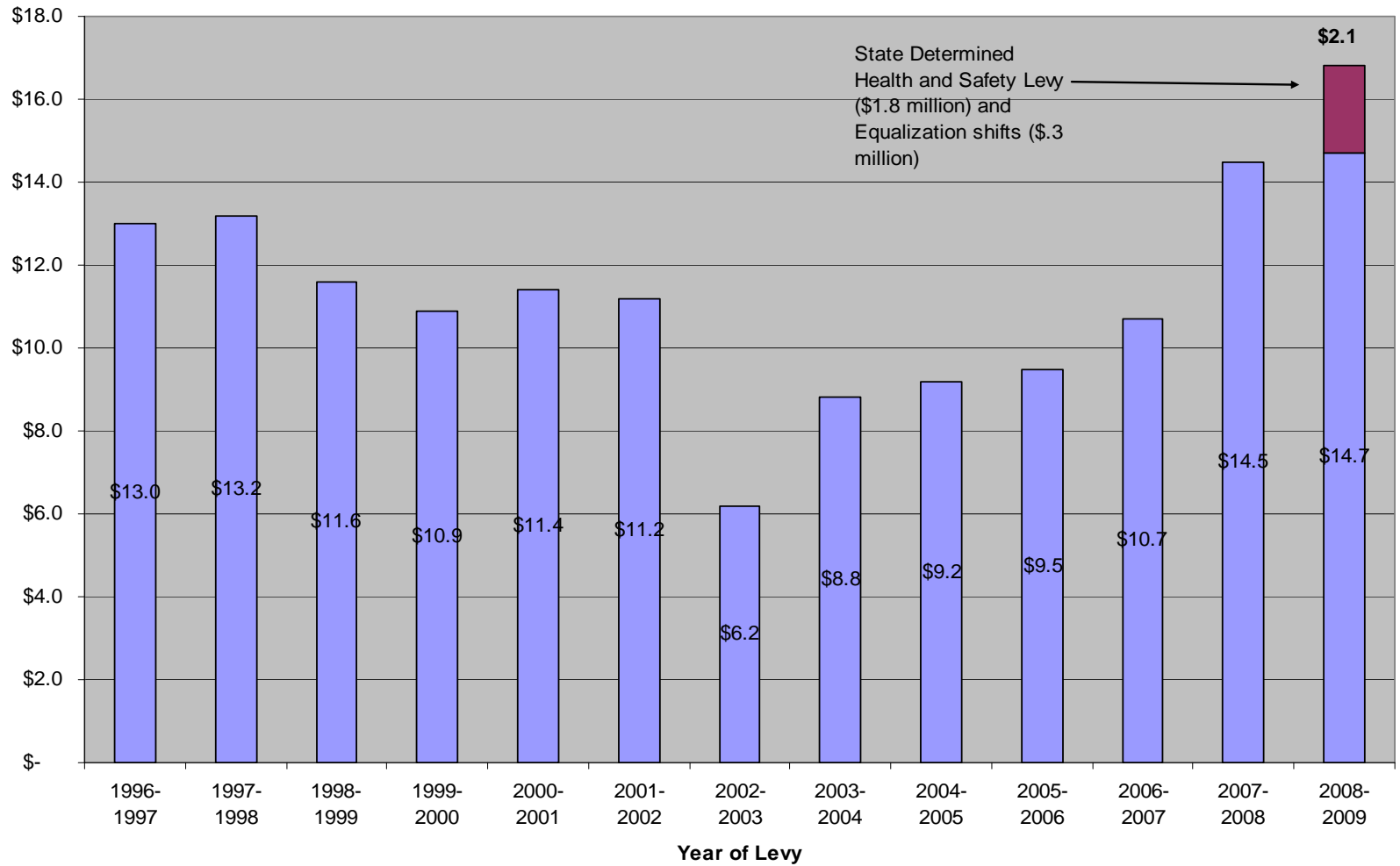
Levy History



Spring Lake Park School District 16

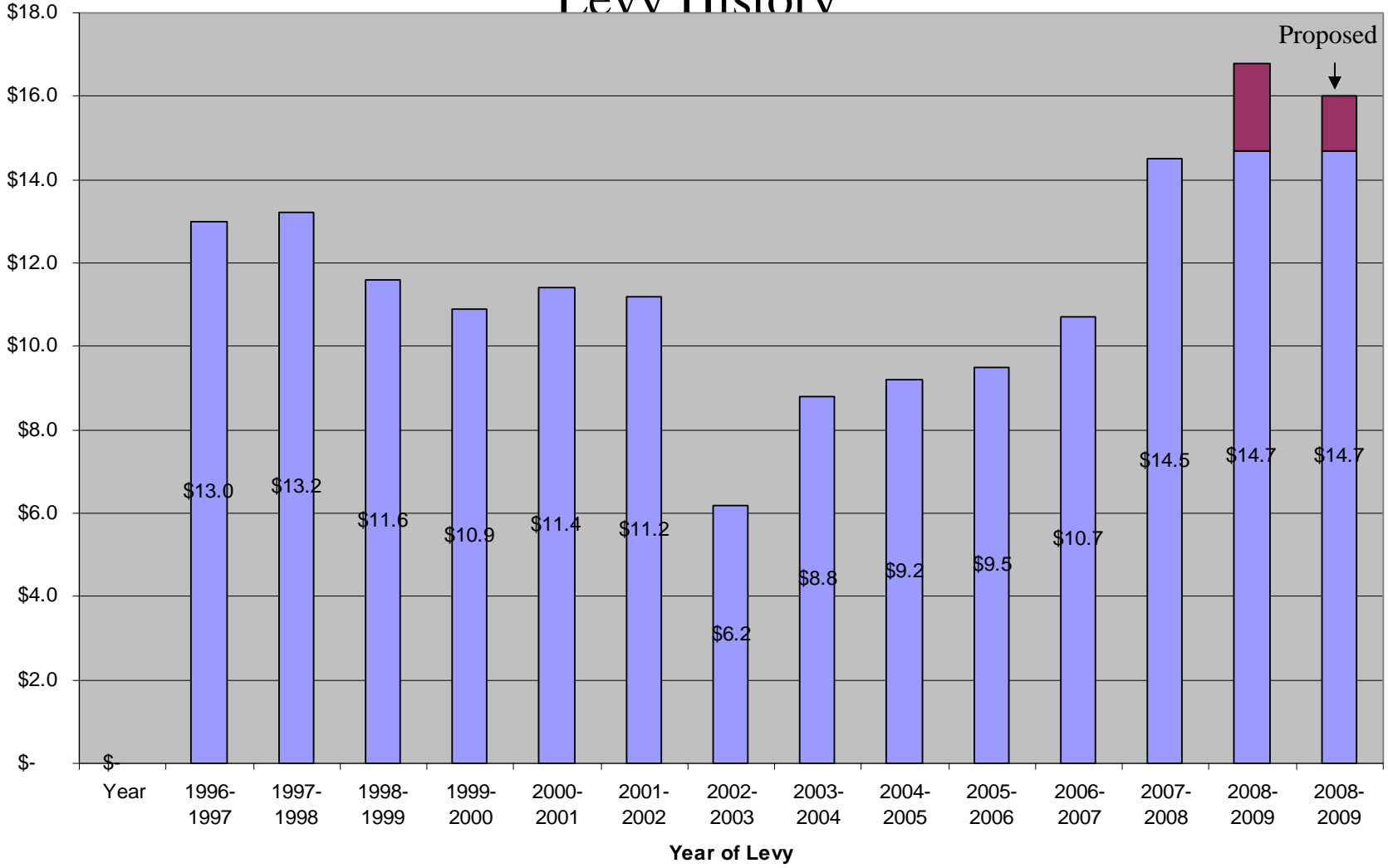


Levy History



Spring Lake Park School District 16

Levy History



Spring Lake Park School District 16

Total Levy by Fund

<u>FUND</u>	<u>PROPOSED 2008 LEVY</u>	<u>PAYABLE 2007 LEVY</u>	<u>CHANGE</u>	<u>PERCENT CHANGE</u>
General	\$ 9,099,759	\$ 7,925,774	\$ 1,173,984	14.81%
Community Service	\$ 357,963	\$ 414,052	\$ (56,089)	-13.55%
Debt Service	\$ 7,409,615	\$ 6,176,346	\$ 1,233,269	19.97%
TOTAL	<u>\$ 16,867,336</u>	<u>\$ 14,516,172</u>	<u>\$ 2,351,164</u>	<u>16.20%</u>

Spring Lake Park School District 16

Total Levy by Fund

<u>FUND</u>	<u>Adjusted</u> <u>PROPOSED</u> <u>2008 LEVY</u>	<u>PAYABLE</u> <u>2007 LEVY</u>	<u>CHANGE</u>	<u>PERCENT</u> <u>CHANGE</u>
General	\$ 8,242,265	\$ 7,925,774	\$ 316,491	3.99%
Community Service	\$ 357,963	\$ 414,052	\$ (56,089)	-13.55%
Debt Service	\$ 7,409,615	\$ 6,176,346	\$ 1,233,269	19.97%
TOTAL	<u>\$ 16,009,843</u>	<u>\$ 14,516,172</u>	<u>\$ 1,493,671</u>	<u>10.29%</u>

Spring Lake Park School District 16

Total Levy by Fund

<u>FUND</u>	<u>PROPOSED 2008 LEVY</u>	<u>PAYABLE 2007 LEVY</u>	<u>CHANGE</u>	<u>PERCENT CHANGE</u>
General	\$ 9,099,759	\$ 7,925,774	\$ 1,173,984	14.81%
Community Service	\$ 357,963	\$ 414,052	\$ (56,089)	-13.55%
Debt Service	\$ 7,409,615	\$ 6,176,346	\$ 1,233,269	19.97%
TOTAL	<u>\$ 16,867,336</u>	<u>\$ 14,516,172</u>	<u>\$ 2,351,164</u>	<u>16.20%</u>

Spring Lake Park School District 16

GENERAL FUND

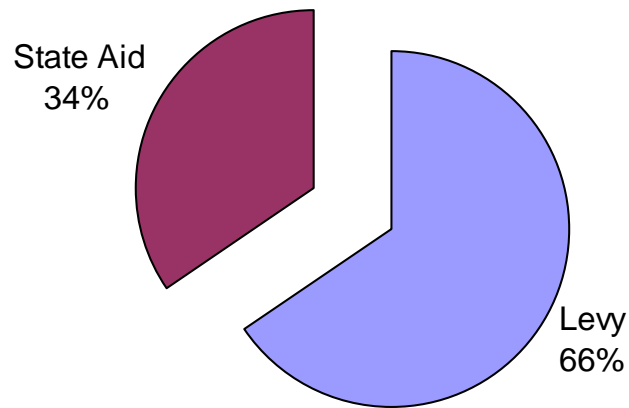
	Proposed Payable 2008 Amount	Payable 2007 Amount	Dollar Change	Percent Change
Referendum Levy Authority	\$ 4,468,644	\$ 4,222,805	\$ 245,839	5.8%
Transition	248,948	240,737	8,211	3.4%
Equity * (Equalized)	587,450	544,295	43,155	7.9%
Operating Capital * (Equalized)	854,328	746,480	107,848	14.4%
Safe Schools/Crime Levy	172,743	143,867	28,876	20.1%
Health and Safety	1,857,493	1,085,528	771,965	71.1%
Lease Levy	524,769	495,510	29,259	5.9%
Career Technical	77,823	68,475	9,347	13.7%
Deferred Maintenance	330,608	319,703	10,905	3.4%
Unemployment	50,000	50,000	-	0.0%
Adjustments	(96,920)	-	(96,920)	
Abatements	23,873	8,374	15,499	185.1%
GENERAL FUND TOTALS	\$ 9,099,759	\$ 7,925,774	\$ 1,173,984	14.8%

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

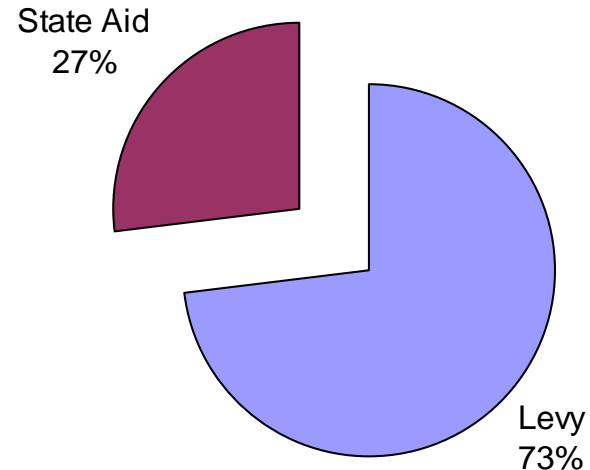
Spring Lake Park School District 16

Operating Capital Revenue

Pay 2007 Levy and Aid



Pay 2008 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 2008 Amount	Payable 2007 Amount	Dollar Change	Percent Change
Basic Levy	\$ 192,923	\$ 192,923	\$ -	0.0%
Early Childhood Levy *	89,420	143,446	\$ (54,025)	-37.7%
Home Visitation Levy	2,917	2,640	\$ 277	10.5%
School Age Care	66,000	65,000	\$ 1,000	1.5%
Prior Year Levy Adjustments	4,995	9,609	\$ (4,614)	-48.0%
Abatements	1,708	434	\$ 1,274	293.8%
COMMUNITY SERVICE FUND TOTAL	\$ 357,963	\$ 414,052	\$ (56,089)	-13.5%

* Decrease is due to one time statewide tax levy relief for this levy formula. This will reverse next year.

Spring Lake Park School District 16

DEBT SERVICE FUND

	Proposed Payable 2008 Amount	Payable 2007 Amount	Dollar Change	Percent Change
Required Levy of 105% of Scheduled Principal and Interest	\$ 7,387,353	\$ 6,173,058	\$ 1,214,295	19.7%
Prior Year Levy Adjustments	-	-	-	-
Abatements	22,262	3,288	\$ 18,974	577.1%
DEBT SERVICE FUND TOTALS	7,409,615	6,176,346	1,233,269	20.0%

Taxpayer Implications

Spring Lake Park School District 16

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

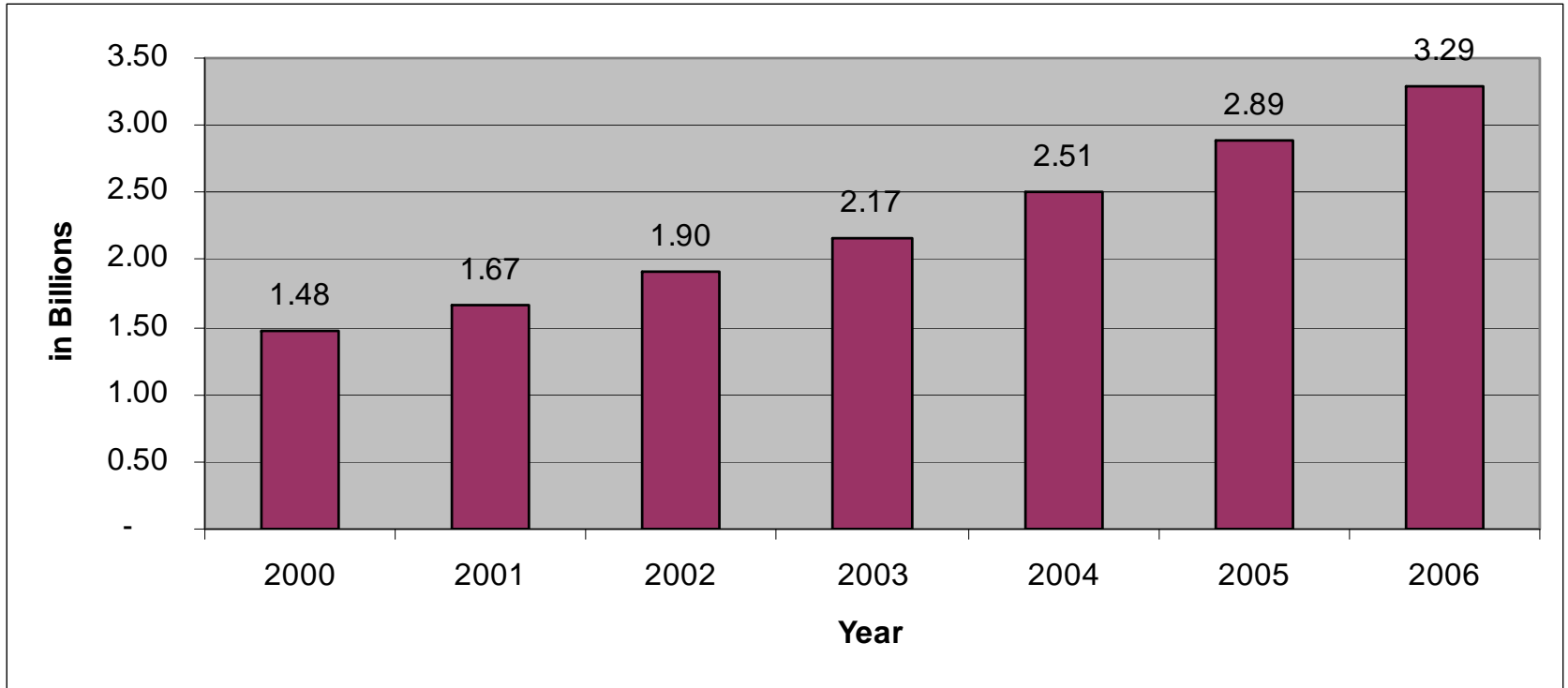
1. Changes in Levy components
2. Changes in market values
3. Changes in tax capacity
4. Voter approved Referendums

Changes in Levy Components

Changes in Market Value

Spring Lake Park District 16

Market Value History



Changes in Market Value

2007 Value versus 2008 Value
Average Home Value Comparisons

5.0% Increase In Value
\$200,000 to \$210,000

Net Tax Capacity Increase
\$2,000 to \$2,100

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 2008

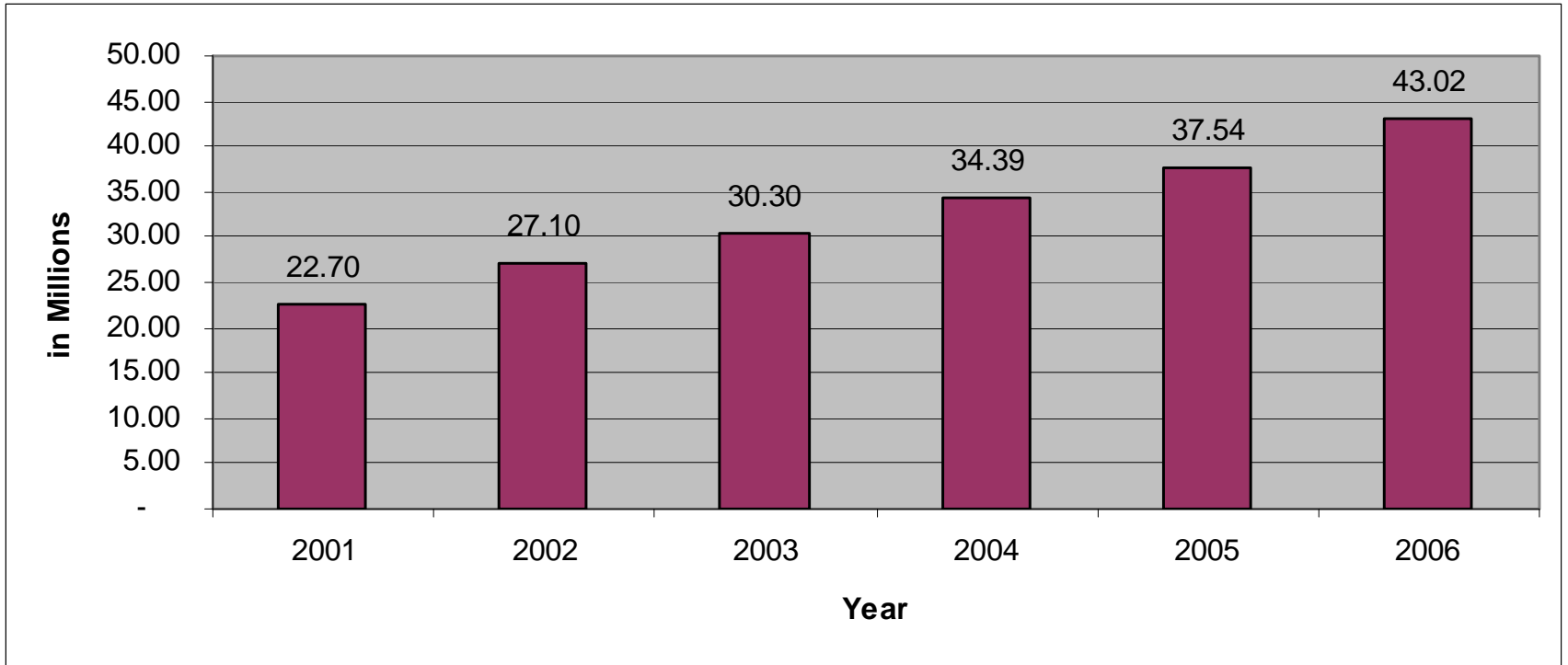
Increased Market Value

		Taxes Payable in 2007 Res Hstd	Taxes Payable in 2008 Res Hstd	
	Property Classification			
	Taxable Market Value	\$ 242,400	\$ 254,600	5.0%
		(1)	(2)	
		Actual 2007 Property Tax	Proposed 2008 Property Tax	Percent Change
<i>Total Excluding Special Assessments</i>		\$ 2,426.09	\$ 2,654.54	9.4%
COUNTY OF ANOKA:				
CITY OF BLAINE				
STATE GENERAL TAX				
SPRING LAKE PARK DISTRICT #16		\$ 0.00	\$ 0.00	
VOTER APPROVED SCHOOL LEVIES		\$ 662.56	\$ 683.72	
OTHER LOCAL SCHOOL LEVIES		\$ 252.40	\$ 345.01	

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 2008

4-5 % increase in Market Value

		Taxes Payable in 2007	Taxes Payable in 2008
	Property Classification	Res Hstd	Res Hstd
	Taxable Market Value	\$ 242,400	\$ 254,600

(1) (2)

Change in Voter Approved levies

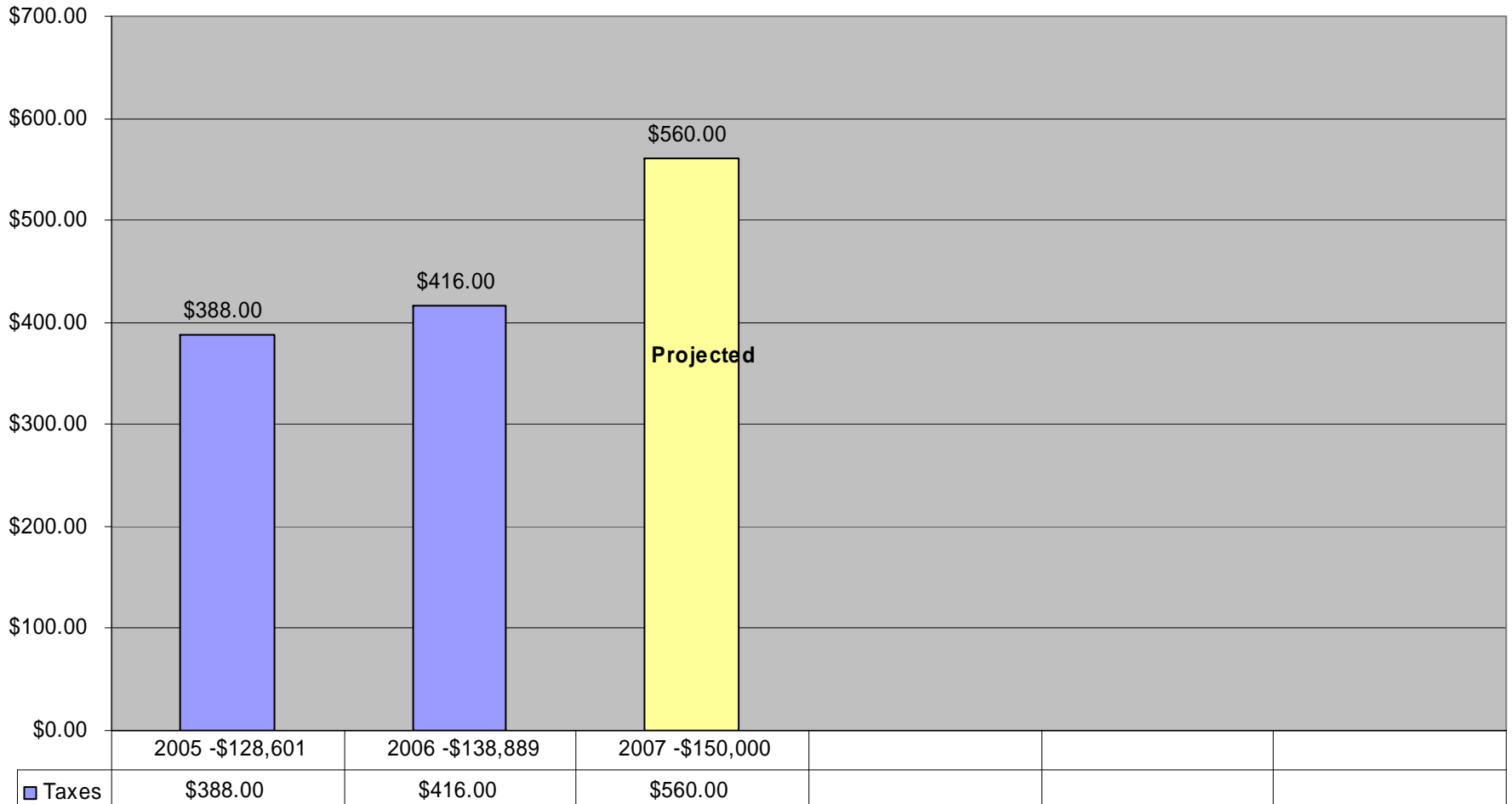
	Actual 2007 Property Tax	Proposed 2008 Property Tax	Percent Change
<i>Total Excluding Special Assessments</i>	\$ 2,426.09	\$ 2,654.54	9.4%

COUNTY OF ANOKA:			
CITY OF BLAINE			
STATE GENERAL TAX			
SPRING LAKE PARK DISTRICT #16	\$ 0.00	\$ 0.00	
VOTER APPROVED SCHOOL LEVIES	\$ 662.56	\$ 683.72	
OTHER LOCAL SCHOOL LEVIES	\$ 252.40	\$ 345.01	

Change in State Determined Local Levies

Spring Lake Park School District 16

Residential Homestead Property Valued at \$150,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



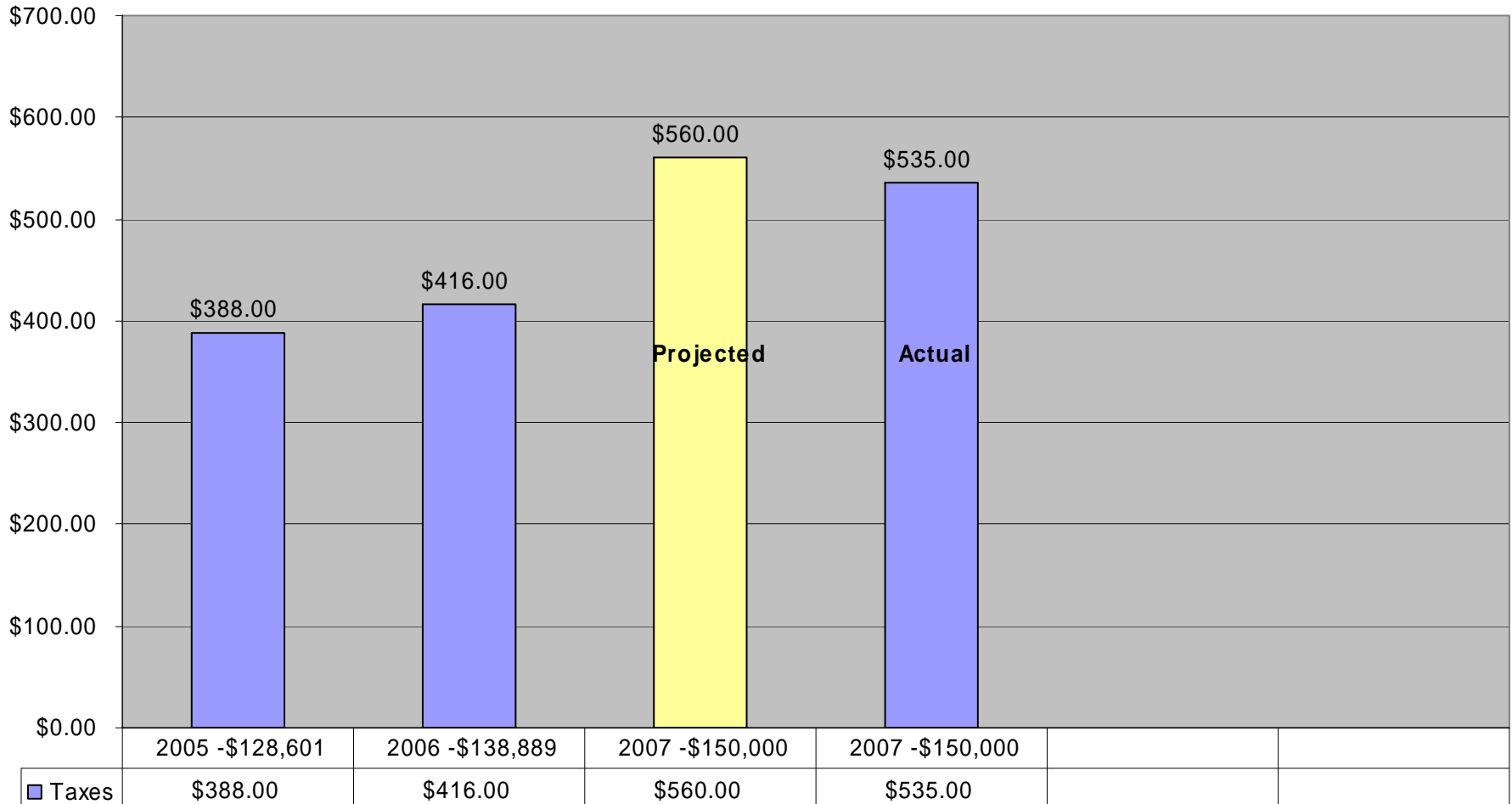
Spring Lake Park School District 16

Residential Homestead Property Valued at \$150,000 in 2007

Estimated Changes in School Property Taxes

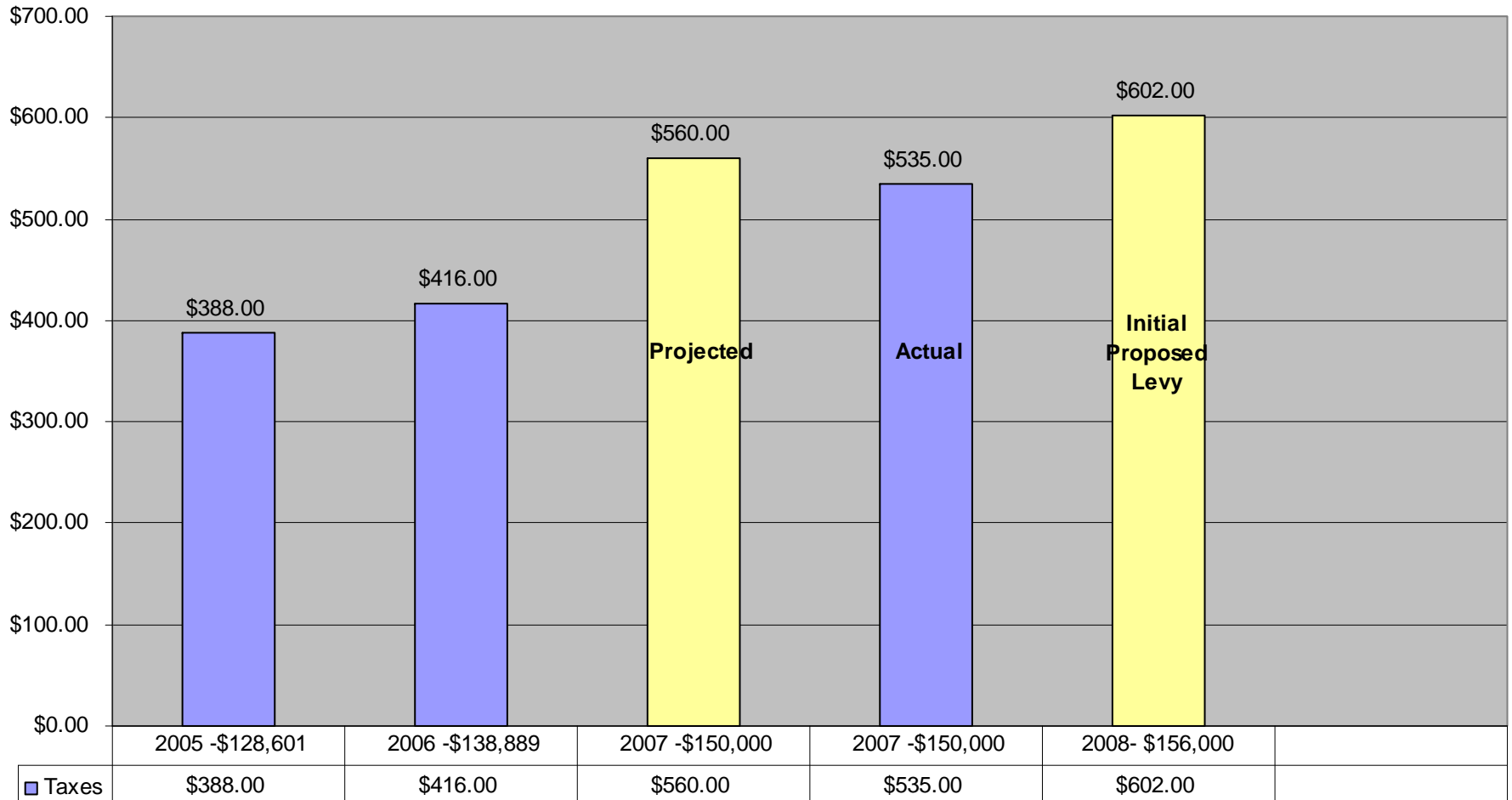
Based upon a historical 8.0% annual increase in Property Value

With a current 4.0% increase in Property Value



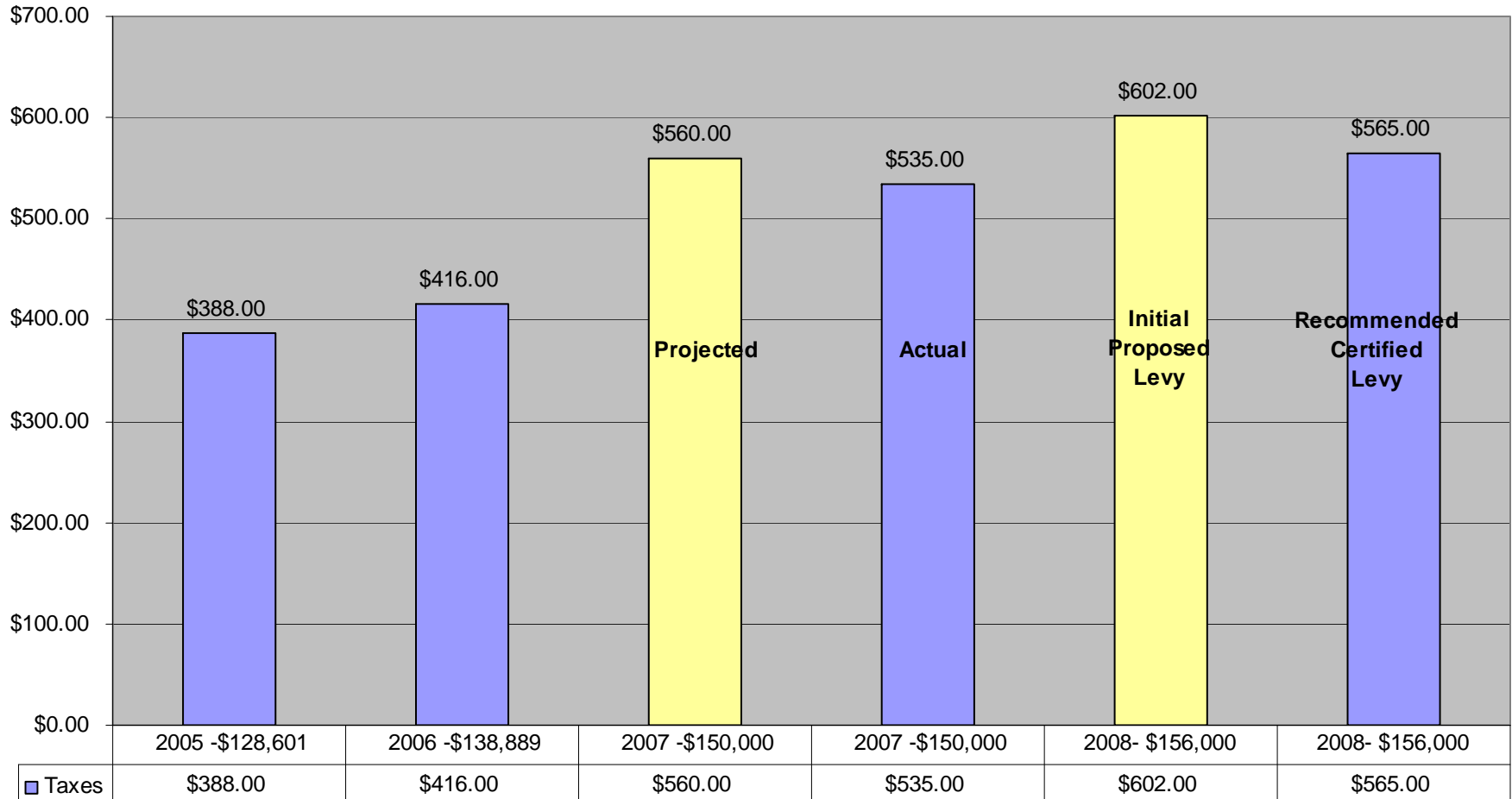
Spring Lake Park School District 16

Residential Homestead Property Valued at \$150,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



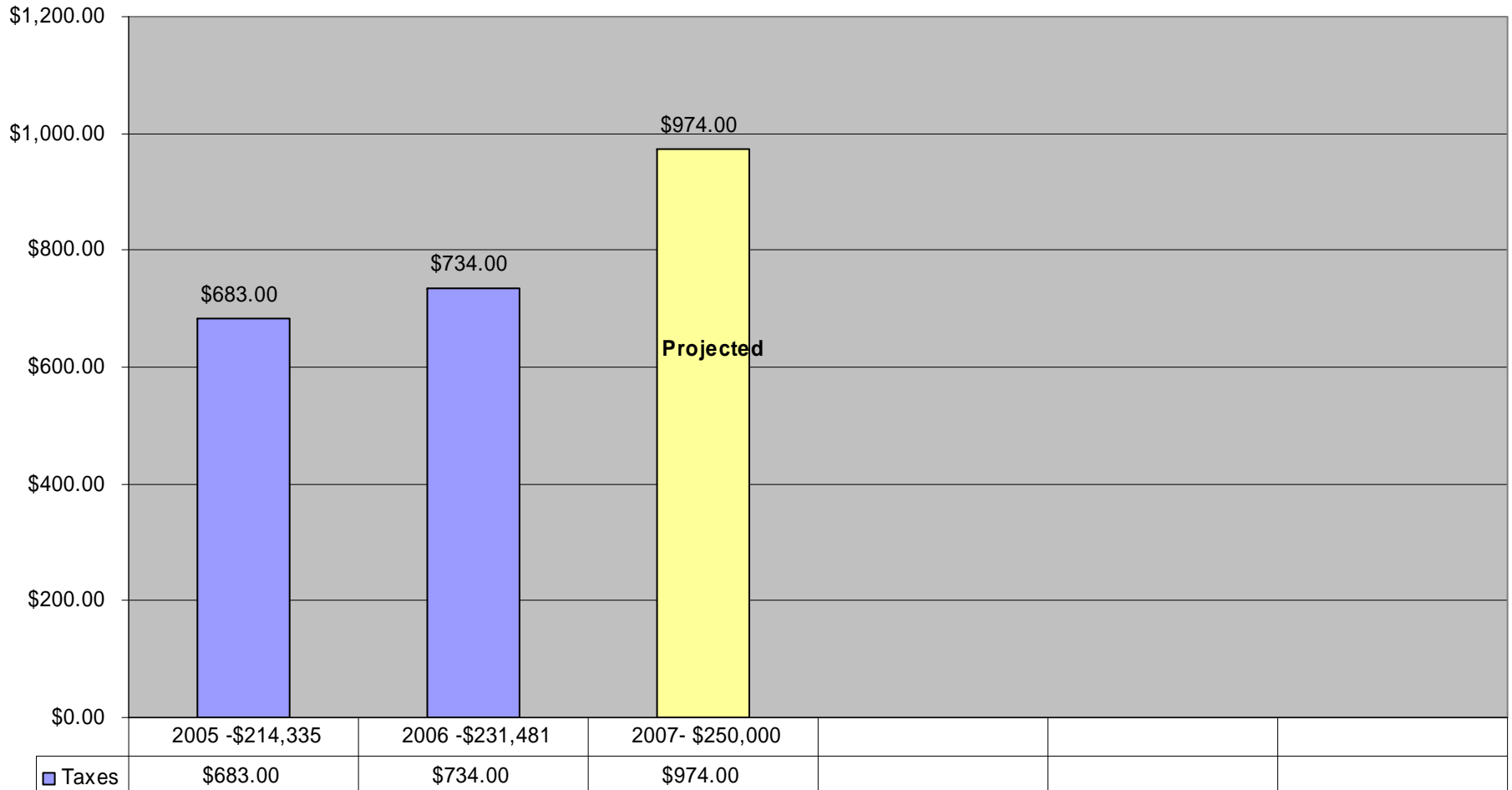
Spring Lake Park School District 16

Residential Homestead Property Valued at \$150,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



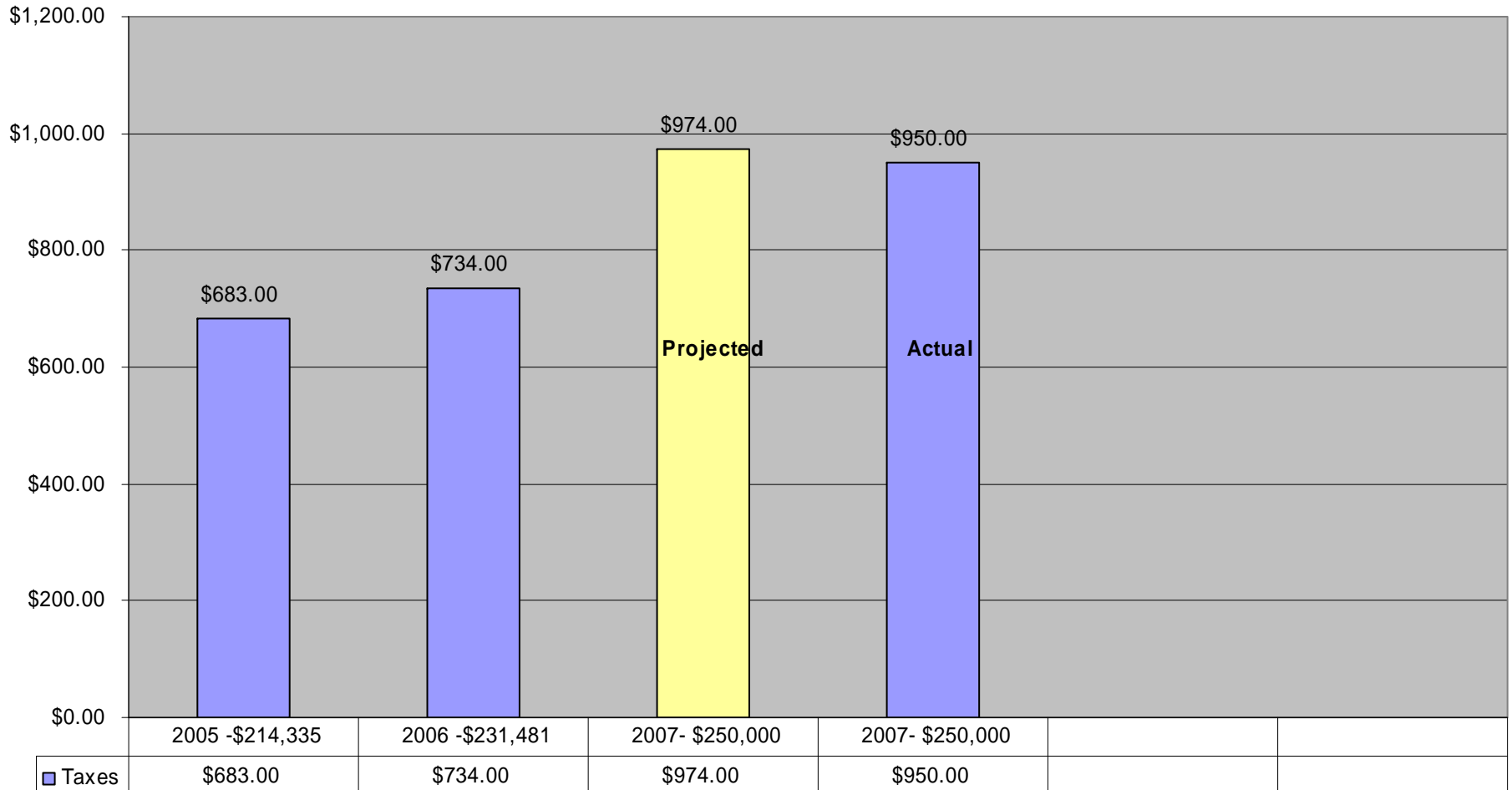
Spring Lake Park School District 16

Residential Homestead Property Valued at \$250,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



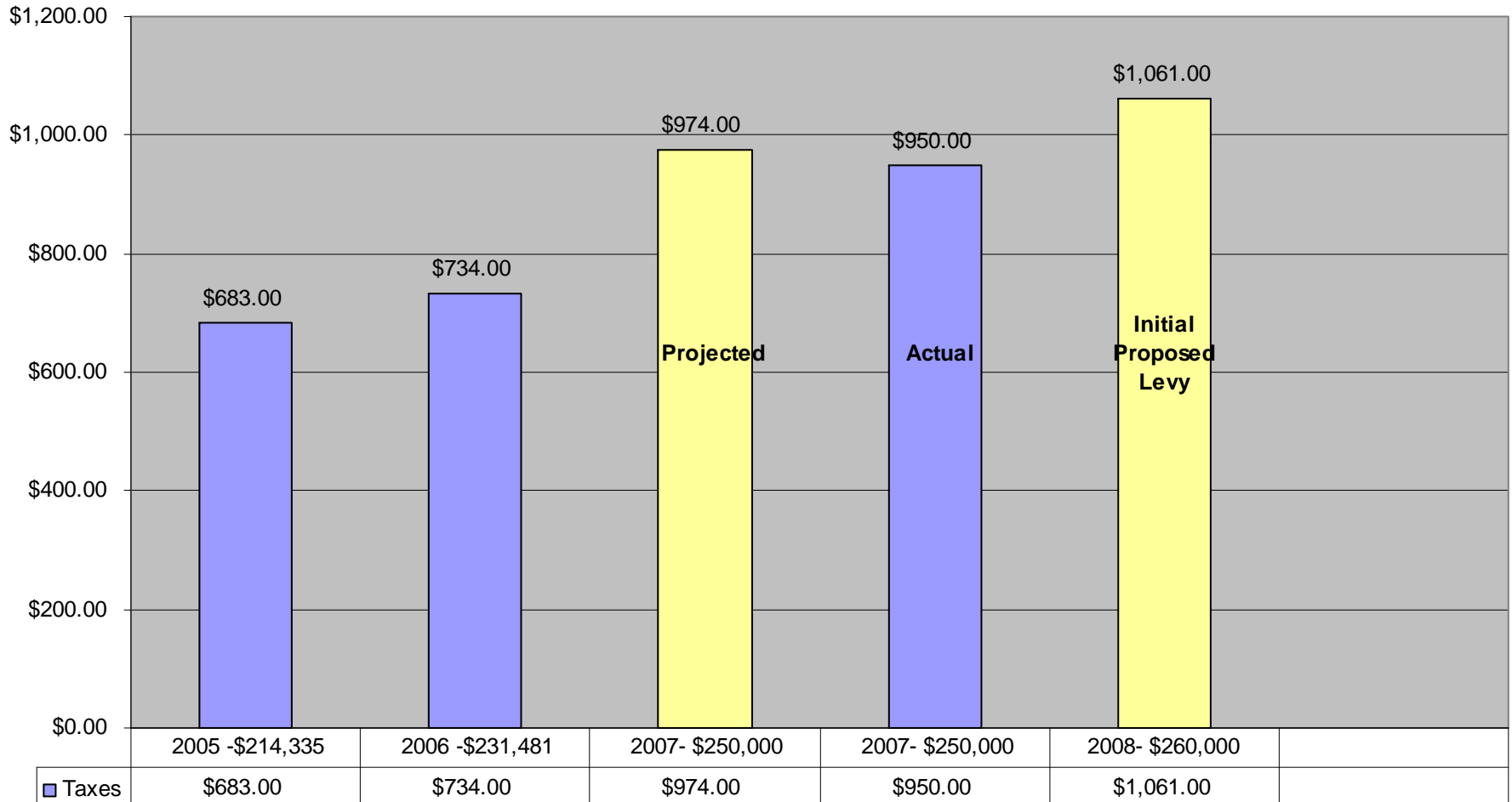
Spring Lake Park School District 16

Residential Homestead Property Valued at \$250,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



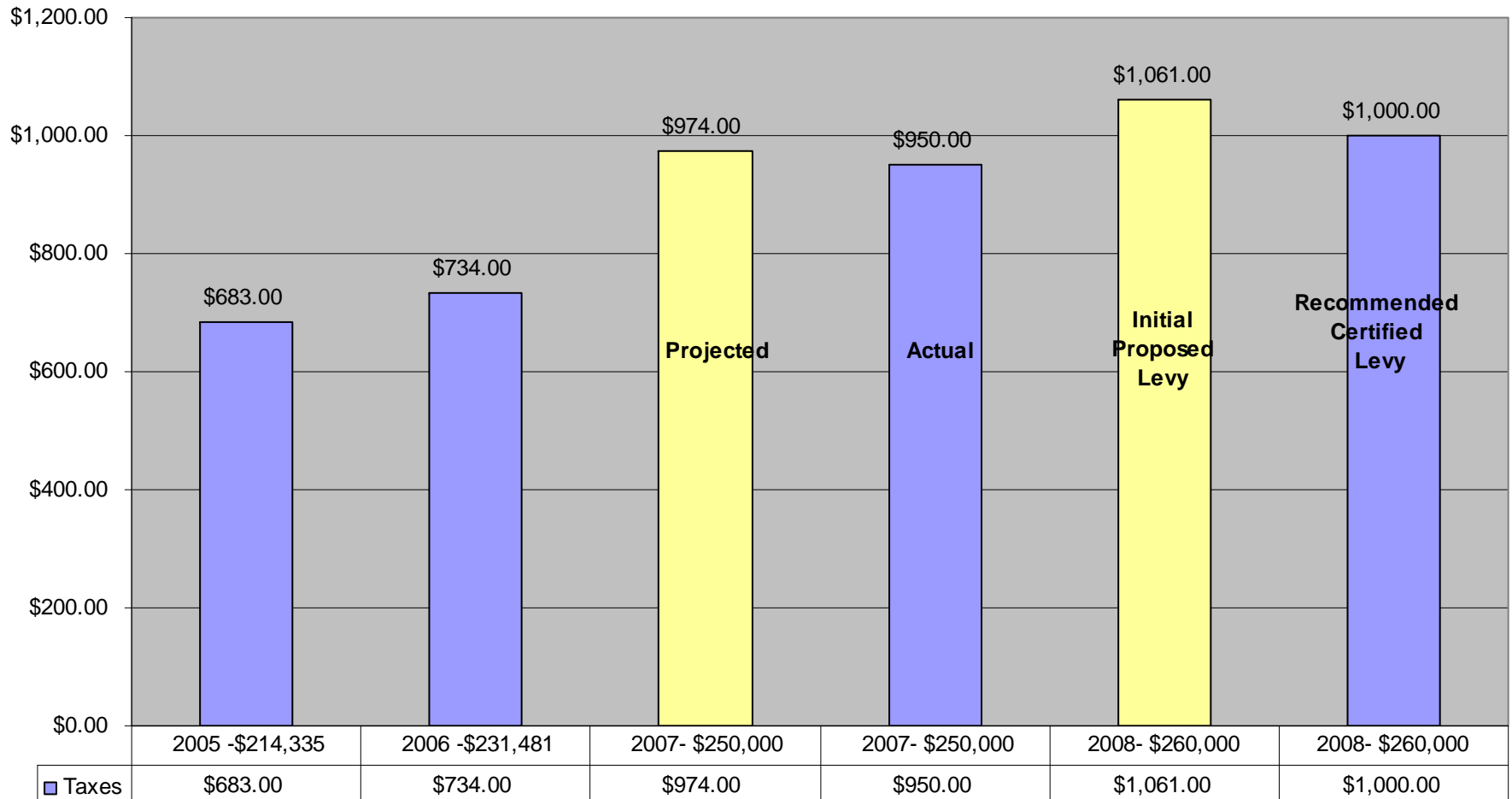
Spring Lake Park School District 16

Residential Homestead Property Valued at \$250,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



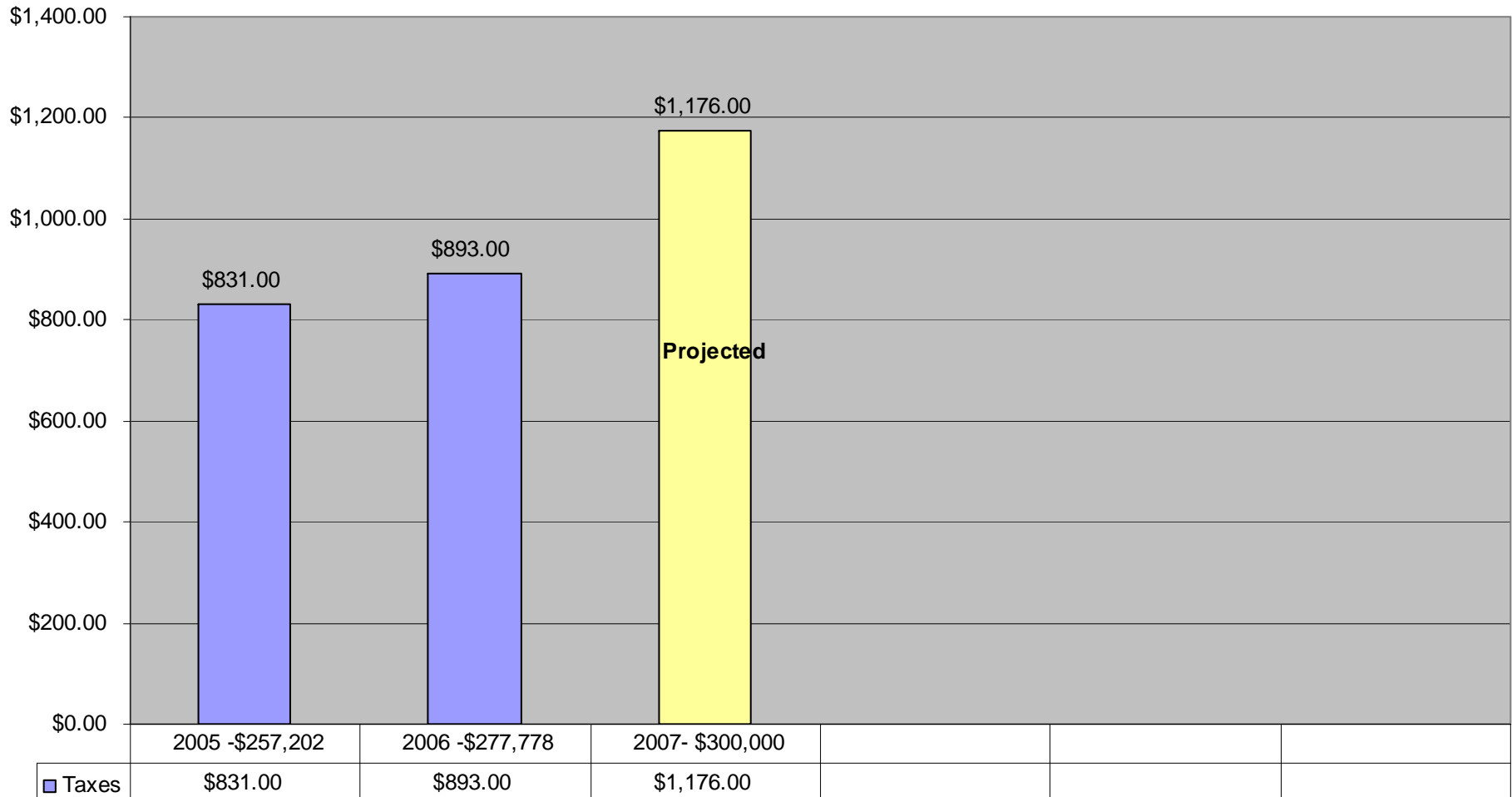
Spring Lake Park School District 16

Residential Homestead Property Valued at \$250,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



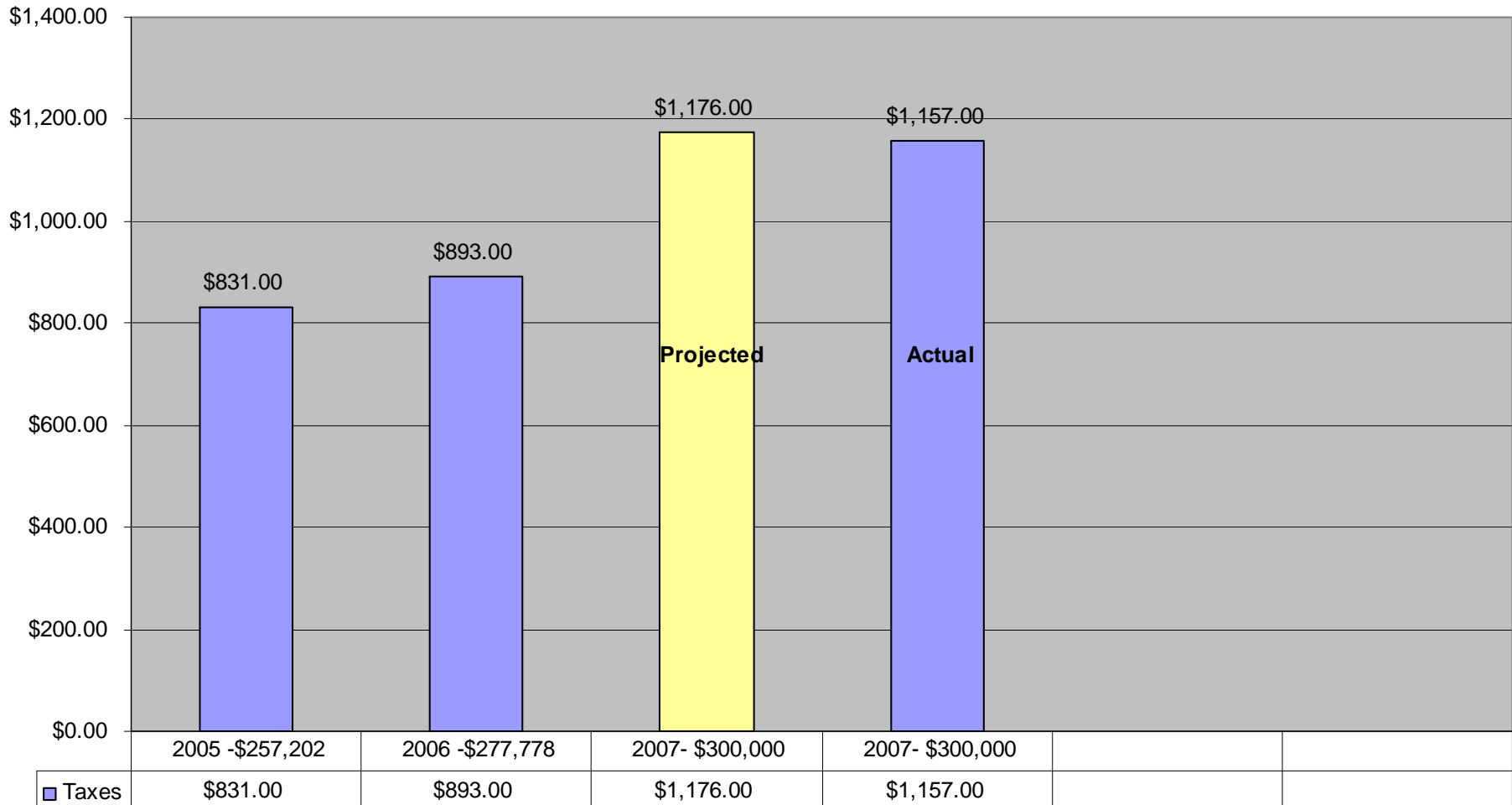
Spring Lake Park School District 16

Residential Homestead Property Valued at \$300,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



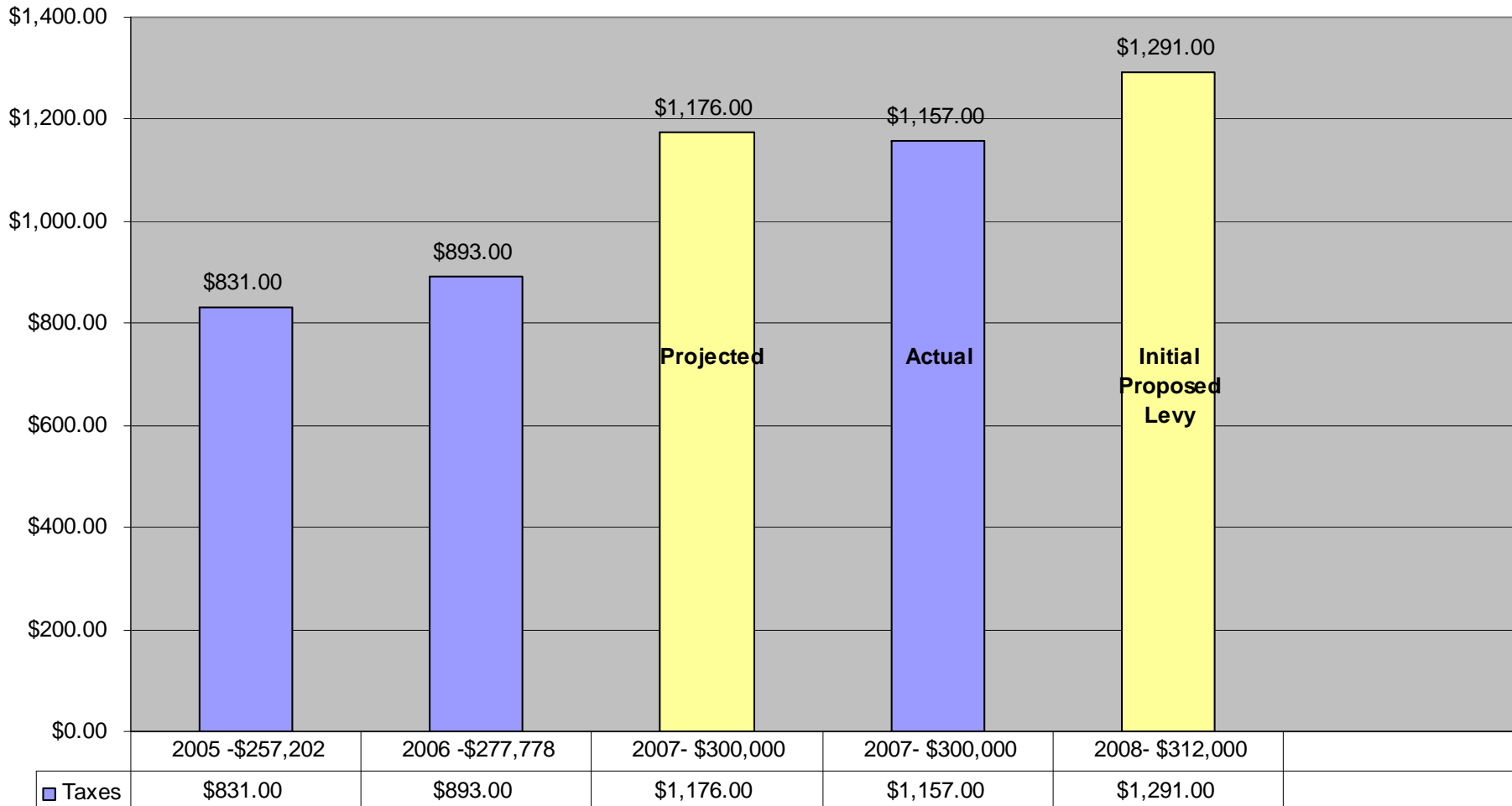
Spring Lake Park School District 16

Residential Homestead Property Valued at \$300,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



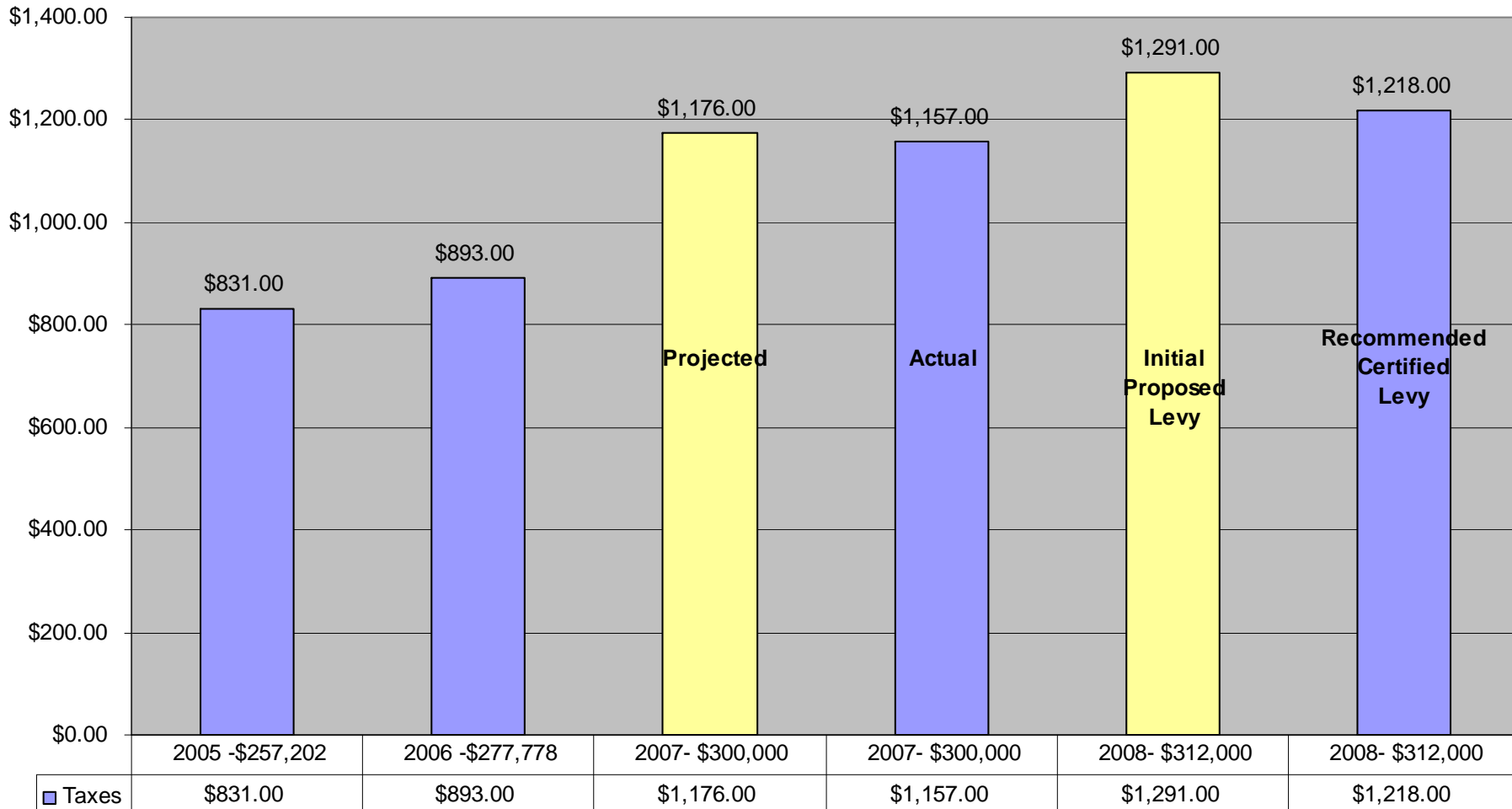
Spring Lake Park School District 16

Residential Homestead Property Valued at \$300,000 in 2007
Estimated Changes in School Property Taxes
Based upon a historical 8.0% annual increase in Property Value
With a current 4.0% increase in Property Value



Spring Lake Park School District 16

Residential Homestead Property Valued at \$300,000 in 2007
 Estimated Changes in School Property Taxes
 Based upon a historical 8.0% annual increase in Property Value
 With a current 4.0% increase in Property Value



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

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

	2005												2006												2007											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<u>Legislation</u>	█																																			
<u>City/county Levy</u>																																				
Tax Levy Decision																																				
Collection of Levy																																				
Budget Year																																				
<u>School District Levy/Budget Cycle</u>																																				
Tax Levy Decision								█																												
Collection of Levy																																				
Budget Year																																				

Spring Lake Park School District 16

If you have questions regarding the Truth in Taxation presentation, your tax statement, or school district finances, contact:

Jim Westrum
business manager
763-785-5505
jwestr@district16.org