

Presentation of the Truth and Taxation Information
Independent School District 507 Special
School Board Meeting
Wednesday, December 11, 2024 6:00 PM

1 Pine St, Nicollet, MN 56074, Community
Room
1 Pine St
Nicollet, MN 56074

Join Zoom Meeting

<https://us02web.zoom.us/j/8658971046?pwd=UTljNktqanFoMVhwYzNRTUtFNDkzQT09>

Meeting ID: 865 897 1046

Passcode: 136511

Agenda

{{Name: Agenda Item Name}}

1. CALL TO ORDER
2. ROLL CALL
3. RECOGNITION OF VISITORS
4. DISCUSSION ITEMS
5. ADJOURNMENT

**NICOLLET PUBLIC SCHOOL
Independent School District 507**

**2024 PAYABLE 2025
PROPERTY TAX HEARING**

**For the school budget year
July 1, 2024 – June 30, 2025**

Prepared by:

Robin Courrier, Superintendent

Jim Freihammer, Business Manager

Michael Hoheisel, Managing Director, R.W. Baird & Co.

REQUIREMENTS OF THE TRUTH IN TAXATION HEARING

- The 2024 Pay 2025 Proposed Property Tax Levy
 - Proposed Changes
 - Specific Purposes for Changes
- Current Year Budget
 - Distribution of Revenues by Revenue Source
 - Spending by Program Area
- Public Comments and Questions

Minnesota Statute 275.065



School District Levy and School District Funds

School District Levy

- Taxes levied in the fall of 2024 are payable and collected in 2025
- District Revenue for 2025-2026 school year
- Fiscal year 2026

School District Funds

General Fund Levy

- A. Based on student enrollment

Community Education Fund Levy

- A. Based on the population of the District
 1. Includes basic community education revenue, youth services and after school revenue
 2. Early childhood family education levy is based on number of children under 5 years of age in district

School District Levy and School District Funds

School District Funds (continued)

Debt Service Fund Levy

- A. Based on annual debt retirement schedules
 - 1. Annual levy is what is needed to pay principal and interest payments of bonded debt plus 5%
 - 2. A calculation is done annually by the Minnesota Department of Education to determine level of fund balance
 - a. If over cap of 5% a levy reduction will be made to bring debt fund balance to the 5% over levy requirement
 - 3. Debt Service Fund may be composed of voter-approved bonds, as well as non-voter approved bonds such as abatement bonds, alternative facilities bonds, capital equipment notes, capital facilities bonds and long-term facilities maintenance bonds



How will your payable 2025 School Taxes be spent?

General Fund	Percent
Provides funding for district regular and special education instructional programs including but not limited to support services, transportation, instructional, athletic, and operational equipment, technology, building maintenance, etc.	46.56%
Community Education Fund	
Funding for Community Education programs Early Childhood Family Education and School Readiness	3.27%
Debt Service Fund	
Levy for repayment of principal and interest on District debt	50.17%
Total Levy before credits and exclusions:	100.00%

The School District Levy is changing by

$\$(147,271.94)$

Or

$(10.00)\%$

Source: MDE Levy Limitation and Certification Report for taxes payable 2025 (page 30 of 39)



SCHOOL DISTRICT BUDGET

**CURRENT SCHOOL YEAR
2024-2025**



ISD 507 - NICOLLET PUBLIC SCHOOL

FISCAL YEAR 2024-2025

COMPOSITE BUDGET

REVENUES						
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	CUSTODIAL (TRUST)	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	FUND 08	
Local Property Tax Levies	\$792,305		\$37,342	\$642,944		\$1,472,591
Other Local / County Rev.	131,761	154,429	645,286		1,450	932,926
Interest on Investments	4,000	50	50	500	50	4,650
State of Minnesota	4,083,202	151,894	54,295	6,335		4,295,726
Federal Government	108,987	97,621				206,608
Transfers						0
Sales / Conv. of Assets						0
Totals	\$5,120,255	\$403,994	\$736,973	\$649,779	\$1,500	\$6,912,501

EXPENSES						
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	CUSTODIAL (TRUST)	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	FUND 08	
Wages and Salaries	\$2,478,939	\$70,082	\$473,452			\$3,022,473
Employee Benefits	753,156	35,512	84,543			873,211
Purchased Services	1,581,231	23,600	68,635			1,673,466
Supplies	211,061	214,265	48,698			474,024
Capital Expenditures	19,180	1,000	1			20,181
Debt				676,452		676,452
Other	37,872	1,456	2,090		1,000	42,418
Transfers						0
Totals	\$5,081,439	\$345,915	\$677,419	\$676,452	\$1,000	\$6,782,225

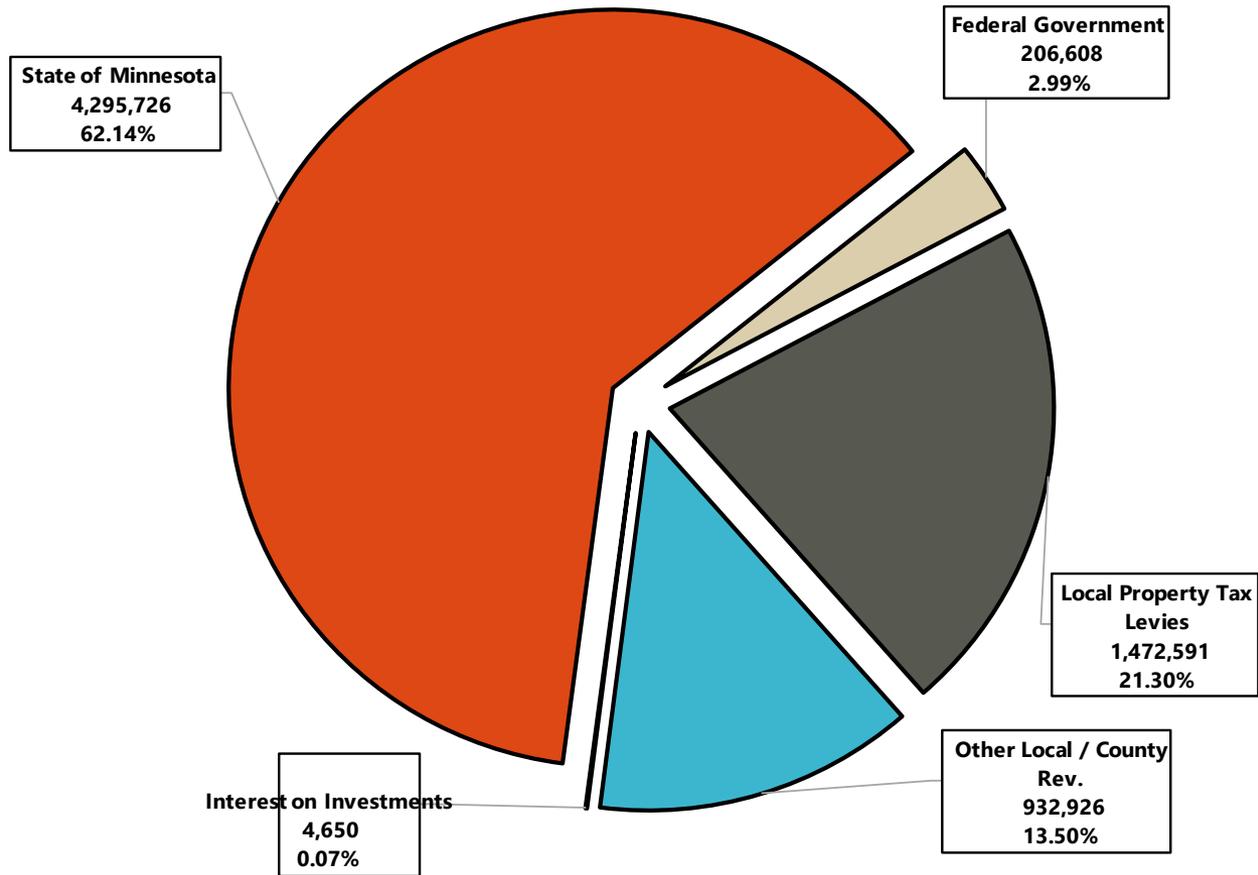
Difference	\$38,816	\$58,079	\$59,554	(\$26,673)	\$500	\$130,276
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ISD 507 - NICOLLET PUBLIC SCHOOL

FISCAL YEAR 2024-2025

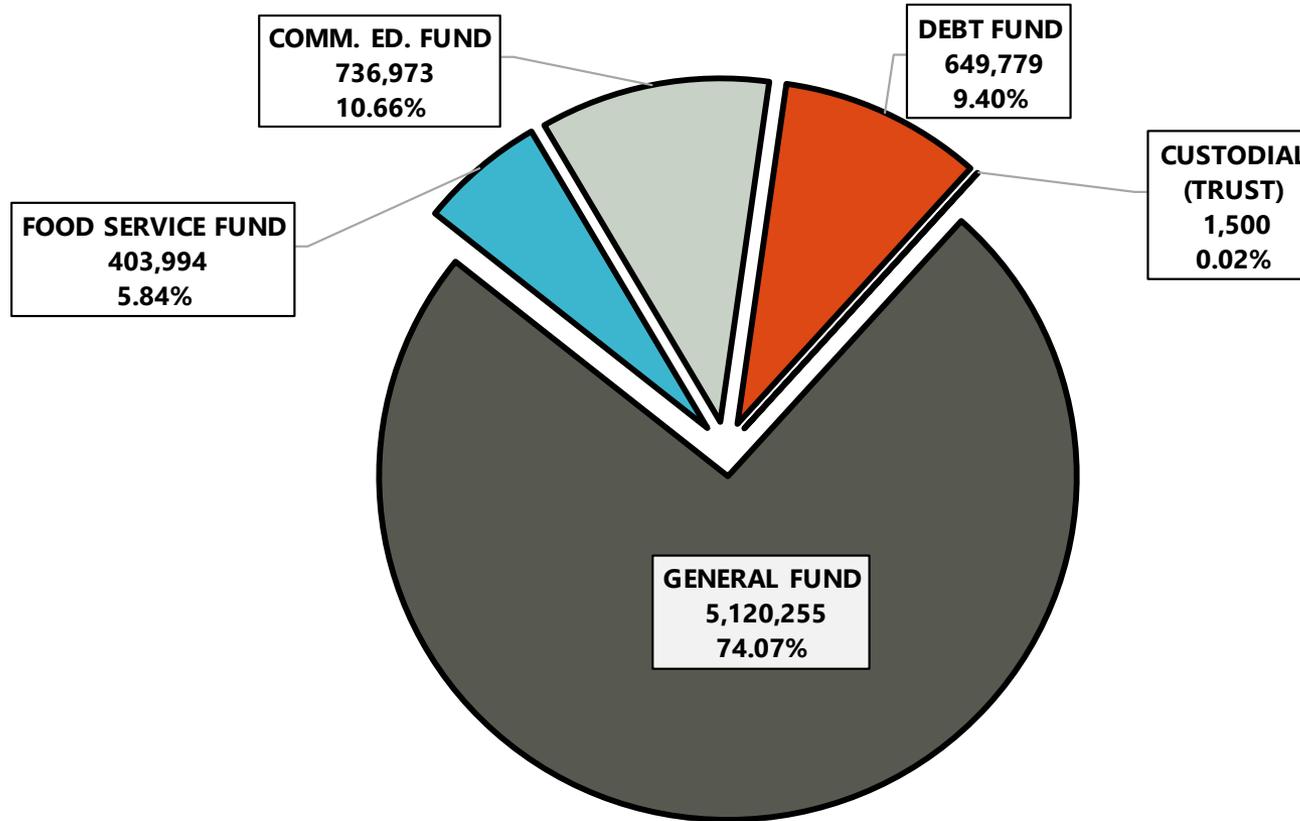
REVENUE BY SOURCE



ISD 507 - NICOLLET PUBLIC SCHOOL

FISCAL YEAR 2024-2025

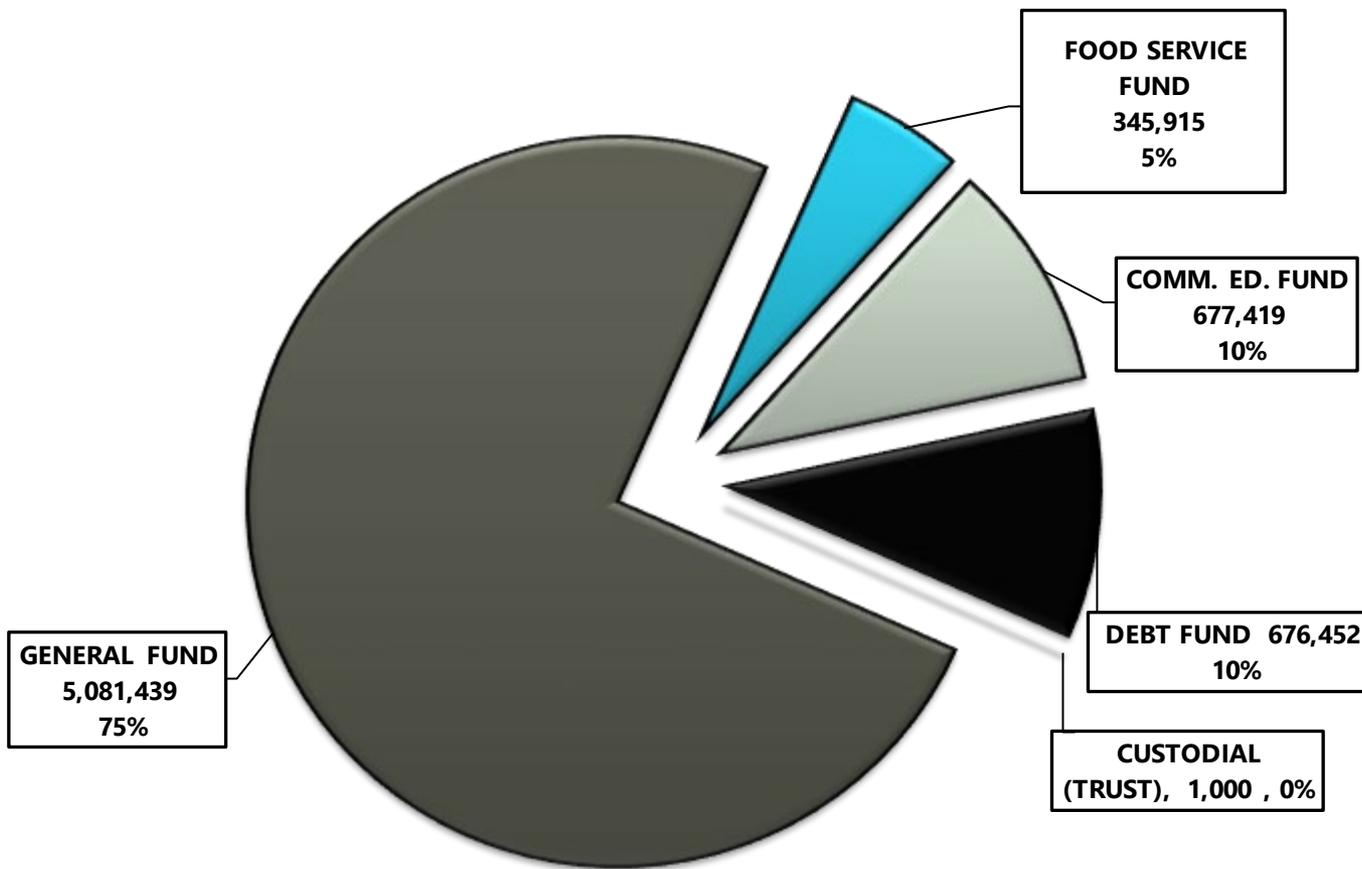
REVENUE BY FUND



ISD 507 - NICOLLET PUBLIC SCHOOL

FISCAL YEAR 2024-2025

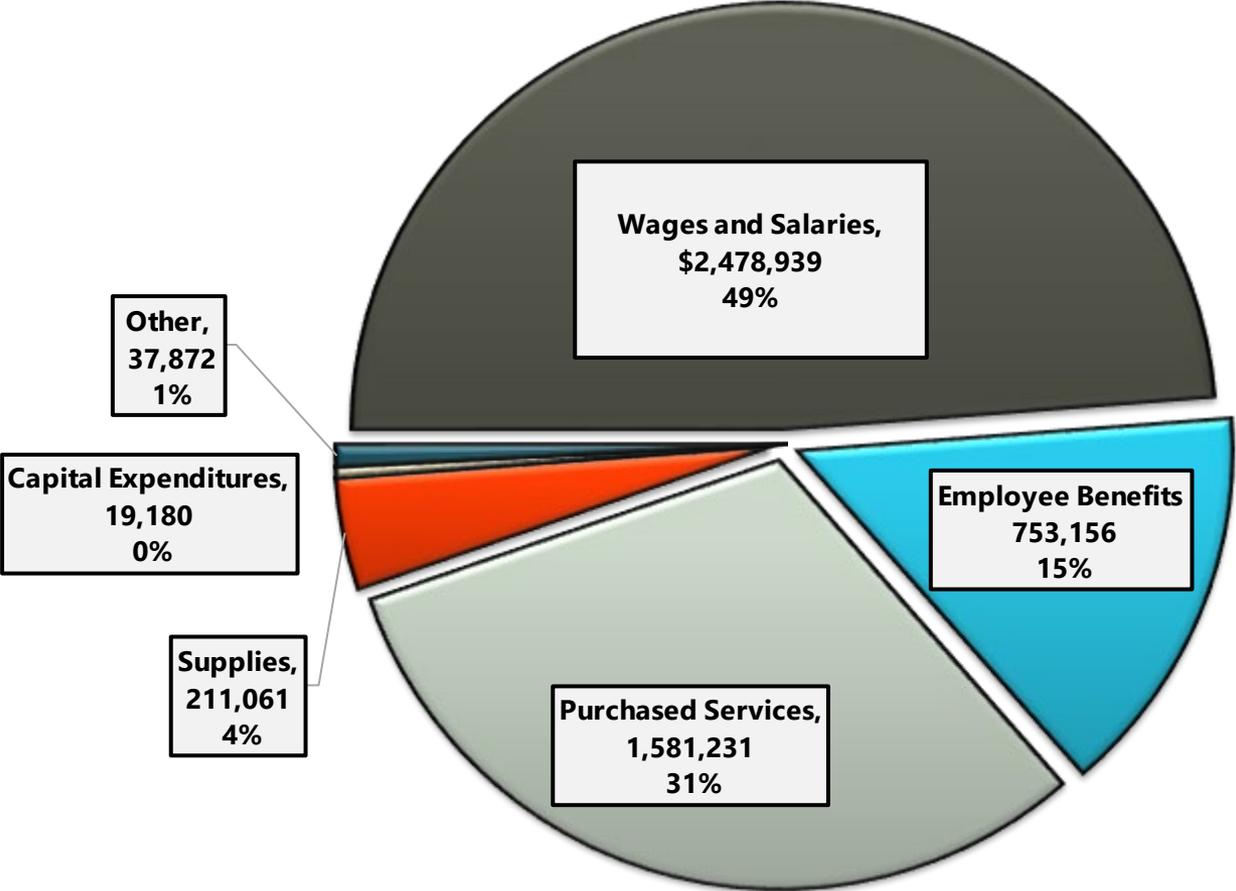
EXPENDITURE BY FUND



ISD 507 - NICOLLET PUBLIC SCHOOL FISCAL YEAR 2024-2025 GENERAL FUND EXPENDITURES by OBJECT Code

EXPENSES	GENERAL FUND 01
Wages and Salaries	\$2,478,939
Employee Benefits	753,156
Purchased Services	1,581,231
Supplies	211,061
Capital Expenditures	19,180
Other	37,872
TOTAL EXPENDITURES	\$5,081,439

**ISD 507 - NICOLLET PUBLIC SCHOOL
FISCAL YEAR 2024-2025
GENERAL FUND 01 EXPENDITURES by OBJECT CODE**



ISD 507 - NICOLLET PUBLIC SCHOOL

FISCAL YEAR 2024-2025

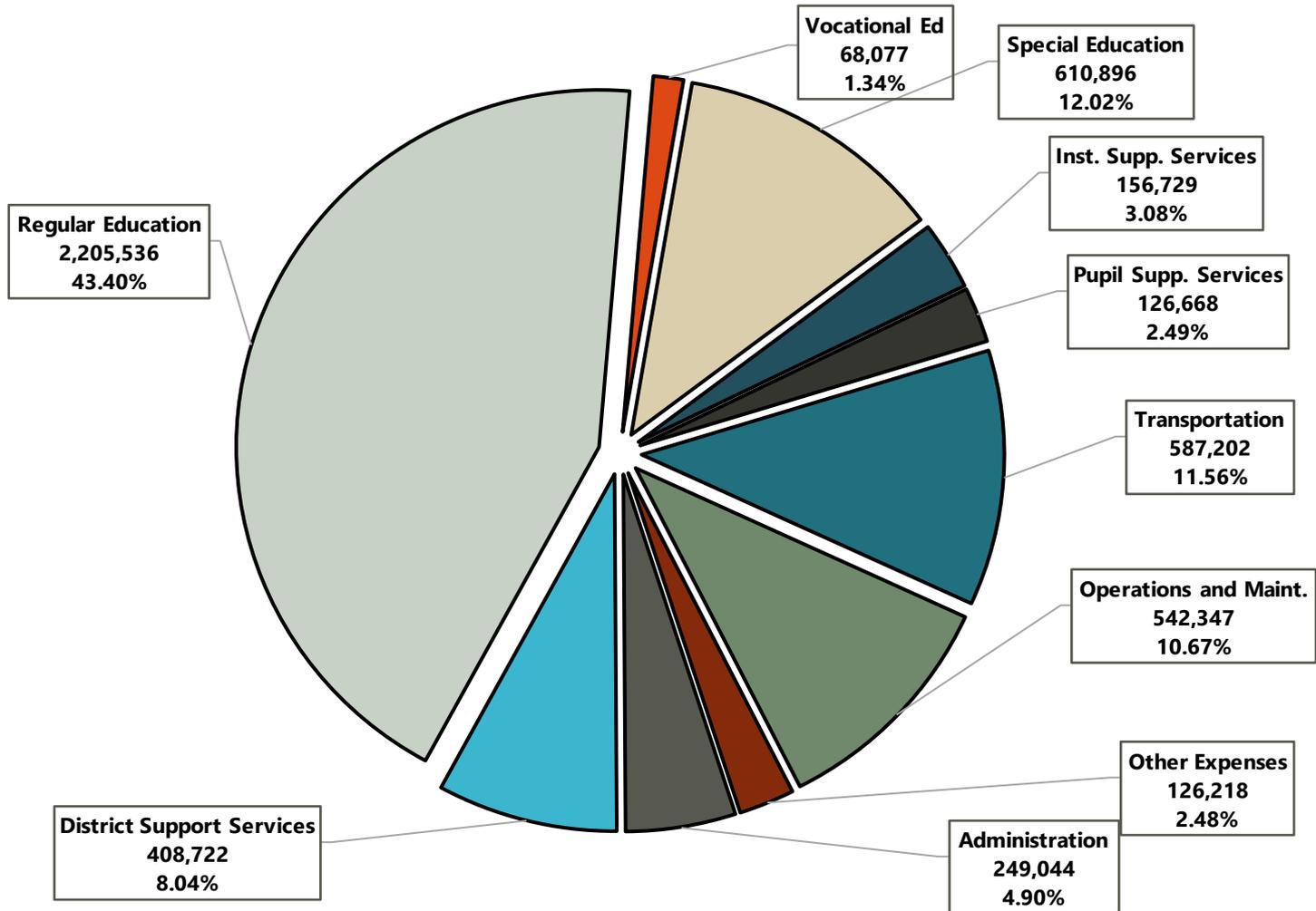
GENERAL FUND EXPENDITURES by PROGRAM

EXPENSES	GENERAL FUND 01
Administration	249,044
District Support Services	408,722
Regular Education	2,205,536
Vocational Ed	68,077
Special Education	610,896
Inst. Supp. Services	156,729
Pupil Supp. Services	126,668
Transportation	587,202
Operations and Maint.	542,347
Other Expenses	126,218
TOTAL EXPENDITURES	\$5,081,439

ISD 507 - NICOLLET PUBLIC SCHOOL

FISCAL YEAR 2024-2025

GENERAL FUND 01 EXPENDITURES by PROGRAM



Local Financial Reminders

- Voter Approved Renewal of Existing \$818.11 Operating Levy Referendum Authority plus an increase of \$400 (*with inflation*) per pupil for a total of \$1,218.11 per pupil authority.
 - Voters Approved this levy in November of 2021 for five years commencing with taxes Payable in 2022
 - Current total authority is \$1,251.55 per APU for Pay 2025
 - This generates \$409,757.47 in revenue for Pay 2025
 - Last Collection year is Pay 2026 / FY 2027
 - District may want to consider the following options to maintain this revenue source into the future
 - Voter-Approved operating levy question (renewal or additional)
 - School Board renewal of the levy under M.S.126C.17 Subd. 9B
 - Deadline for School Board Renewal Action is June 15, 2026

Select district

507 <-- Enter District Number

0507-01 Nicollet

Phase Out Report With 2023 Elections

Authority After 2022 Elections (see detail below)	1,231.31	1,241.27	1,251.55	1,261.74	-
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028

Local Financial Reminders – *borrowed in FY 2021*

- District issued school board approved bonds to finance \$3,946,500 of projects

- IAQ portion - \$2,752,100
- Capital Facilities Portion - \$364,000
- Regular LTFM Portion - \$830,400

Property Type	Property Value	Est. Levy Change due to Project
HSTD RES	\$175,000	\$0.00
AG HSTED (1 acre)	\$6,500	(\$.26)

- District is using existing revenue sources from their operating capital and long-term facilities maintenance funds to pay the principal and interest on the Capital Facilities and Regular LTFM Bonds
 - These bonds mature in 2036
 - These bonds had a true interest cost of 1.631146%
- Once the District’s existing voter approved bonds are paid off the District will be shifting their existing levy over to making payments on the IAQ portion of the bonds
 - These bonds mature in 2034
 - These bonds had a true interest cost of 1.971327%
- **By financing the project in this manner, the District is capitalizing on the Ag2School bond credit program for approximately 68.57% of its tax base**

Local Financial Reminders - *continued*

- Student Enrollment Information

Year	Elementary K-6	Secondary 7-12	Total
2023/2024	163	160	323
2022/2023	164	172	336
2021/2022	177	184	361
2020/2021	169	182	351
2019/2020	190	184	374
2018/2019	208	181	389
2017/2018	206	175	381
2016/2017	212	167	379
2015/2016	201	166	367
2014/2015	201	156	357
2013/2014	203	138	341



HOW ARE STATE AID AND LOCAL LEVIES DETERMINED?



AUTHORITY FOR SCHOOL LEVIES

A SCHOOL DISTRICT TAX LEVY MAY BE EITHER:

SET BY STATE FORMULA

OR

VOTER APPROVED



ISD 507 - NICOLLET PUBLIC SCHOOL

GENERAL FUND

GROSS LEVY COMPARISON

Total % Change = -22.120%

	2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Referendum	431,221.89	299,087.54	(132,134.35)
2 Local Optional	137,295.64	135,446.70	(1,848.94)
3 Equity	39,425.70	30,762.20	(8,663.50)
4 Transition	3,247.09	2,736.50	(510.59)
5 Operating Capital	30,576.49	31,527.15	950.66
6 Remployment Ins	6,299.72	15,464.64	9,164.92
7 Safe Schools	12,955.68	10,459.80	(2,495.88)
8 Judgement	29,217.50	0.00	(29,217.50)
9 Career Technical	19,267.18	22,242.18	2,975.00
10 OPEB	20,150.00	19,781.00	(369.00)
11 LTFM Equalized	49,808.43	34,522.31	(15,286.12)
12 LTFM Unequalized	0.00	0.00	0.00
13 Building/Land Lease	13,107.10	13,019.22	(87.88)
14 Tax Abatement / Other Adj.	<u>0.01</u>	<u>2,208.52</u>	<u>2,208.51</u>
Total Gross Levy	792,572.43	617,257.76	(\$175,314.67)



ISD 507 - NICOLLET PUBLIC SCHOOL COMMUNITY SERVICE GROSS LEVY COMPARISON

Total % Change = 15.915%

	2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Basic Community Education	\$23,064.40	\$23,064.40	\$0.00
2 Early Child Family	14,007.34	17,323.57	3,316.23
3 Home Visiting	270.62	331.78	61.16
4 Adults w/ Disabilities	0.00	0.00	0.00
5 School Age Care	0.00	2,500.00	2,500.00
6 Other Adjustments	0.00	0.00	0.00
7 Tax Abatement	<u>0.00</u>	<u>65.73</u>	<u>65.73</u>
Total Gross Levy	\$37,342.36	\$43,285.48	\$5,943.12

ISD 507 - NICOLLET PUBLIC SCHOOL DEBT SERVICE GROSS LEVY COMPARISON

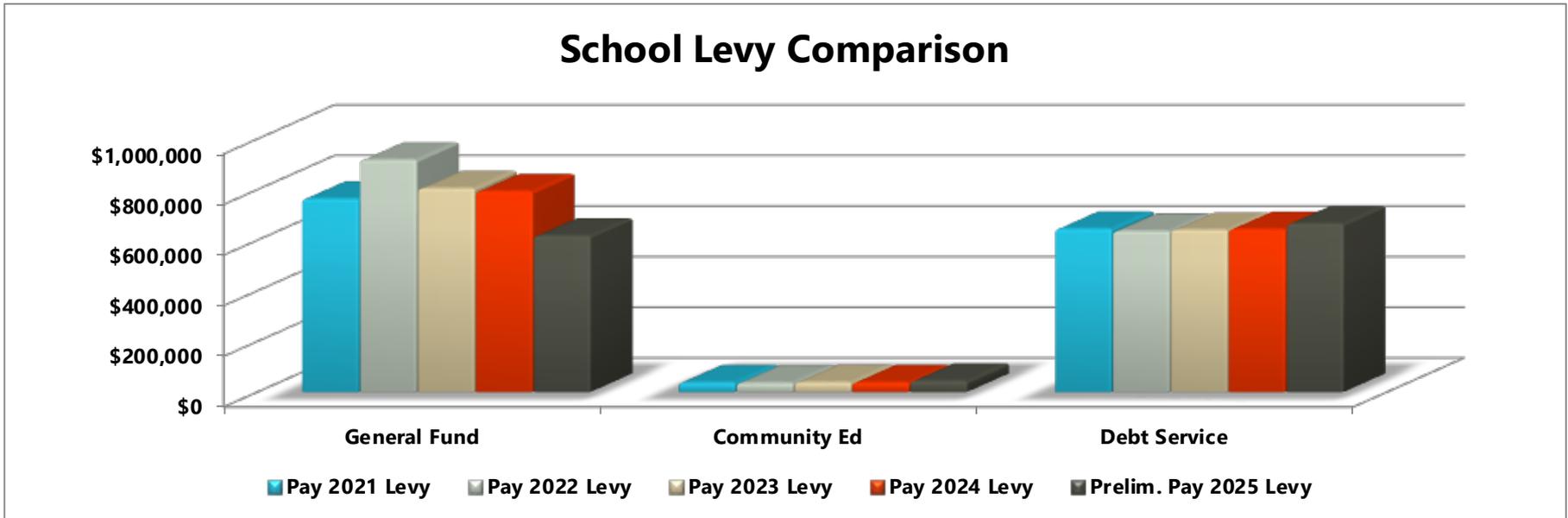
Total % Change = 3.437%

	2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Voter Approved Debt Service	\$582,134.00	\$586,418.00	\$4,284.00
2 Capital Facilities Debt Service	41,258.00	40,945.00	(313.00)
3 LTFM Bond Debt Service	50,960.47	65,398.36	14,437.89
4 Debt Excess	(31,408.38)	(29,412.16)	1,996.22
5 Tax Abatement	0.00	1,694.49	1,694.49
6 Other Adjustments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Gross Levy	\$642,944.09	\$665,043.69	\$22,099.60

ISD 507 - NICOLLET PUBLIC SCHOOL SCHOOL PORTION of PROPERTY TAX LEVY

Total Pay 2021 Levy = \$1,444,650.71
 Total Pay 2022 Levy = \$1,588,623.07
 Total Pay 2023 Levy = \$1,482,328.19
 Total Pay 2024 Levy = \$1,472,858.88
 Total Prelim. Pay 2025 Levy = \$1,325,586.93

School Levy Comparison



	Pay 2021 Levy	Pay 2022 Levy	Pay 2023 Levy	Pay 2024 Levy	Prelim. Pay 2025 Levy
General Fund	763,383.21	917,247.95	804,430.25	792,572.43	617,257.76
Community Ed	37,060.28	35,512.98	37,734.16	37,342.36	43,285.48
Debt Service	644,207.22	635,862.14	640,163.78	642,944.09	665,043.69
Total Levy	1,444,650.71	1,588,623.07	1,482,328.19	1,472,858.88	1,325,586.93

WHAT ARE THE MAIN VARIABLES THAT MAY CAUSE PROPERTY TAX INCREASES AND DECREASES?

- 1. Changes in market values**
- 2. Changes in class rates/history**
- 3. Market value exclusion**

(Newly adjusted Pay 2025 credit amount and value range)

- 4. Voter approved referendums**
- 5. State adjustments**

(i.e. Ag2School Tax Credit Program)

- 6. New programs authorized or mandated by legislature**

(i.e. Long-Term Facilities Maintenance [LTFM] Revenue Program)



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 County 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.



HOMESTEAD MARKET VALUE EXCLUSION

Commencing with taxes payable 2025, Minnesota residential homestead property taxpayers will see an adjusted homestead market value exclusion formula

MN Statute 273.13 subd. 35 provides a homestead market exclusion. This residential market value exclusion originated as a credit and was established by the 2001 Legislature. The 2011 Legislature converted this credit to a market value exclusion. As with the previous credit, qualifying property includes homestead property classified as 1a (residential), 1b (blind/disabled), and 2a (agricultural). In the case of an agricultural homestead or resort homestead, only the market value of the house, garage and immediately surrounding one acre of land is eligible in determining the exclusion. Homesteaded manufactured homes are eligible, as are relative homesteads to the degree the owner would be eligible if they lived there (MN Stat. 272.02)

MN Stat 273.13 subd. 35 (b) **formerly stated:**
For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

MN Stat 273.13 subd. 35 (b) **now states:**
For a homestead valued at \$95,000 or less, the exclusion is 40 percent of market value. For a homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus nine percent of the valuation over \$95,000. For a homestead valued at \$517,200 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

Please note market value range and credit amount both increased



ISD 507 - NICOLLET PUBLIC SCHOOL TAX BASE HISTORY

Assessment Year	Taxes Payable	RMV -		NTC - Net	
		Referendum Market Value	% Change	Tax Capacity	% Change
2024	2025	292,490,900	2.493%	9,827,675	11.237%
2023	2024	285,376,600	8.407%	8,834,904	16.152%
2022	2023	263,245,000	17.865%	7,606,352	25.824%
2021	2022	223,343,600	5.948%	6,045,251	10.440%
2020	2021	210,804,900	3.548%	5,473,790	-9.715%
2019	2020	203,581,400	5.223%	6,062,762	2.545%
2018	2019	193,476,000	3.497%	5,912,311	1.559%
2017	2018	186,939,000	1.946%	5,821,533	-6.064%
2016	2017	183,370,700	11.276%	6,197,349	4.304%
2015	2016	164,788,800	1.936%	5,941,626	-6.916%
2014	2015	161,659,500	4.993%	6,383,067	11.588%
2013	2014	153,971,200	-0.581%	5,720,220	20.357%
2012	2013	154,870,800	-3.160%	4,752,729	16.495%
2011	2012	159,925,000	0.053%	4,079,781	9.511%
2010	2011	159,839,700	-3.444%	3,725,446	-3.719%
2009	2010	165,540,100	2.641%	3,869,333	7.756%
2008	2009	161,280,825	6.212%	3,590,819	11.080%
2007	2008	151,848,500	3.982%	3,232,642	-0.183%
2006	2007	146,032,900	11.666%	3,238,573	11.316%
2005	2006	130,776,400	8.376%	2,909,358	11.887%
2004	2005	120,669,000	8.686%	2,600,276	4.498%
2003	2004	111,025,800	11.582%	2,488,348	12.119%
2002	2003	99,501,400	14.756%	2,219,391	11.873%
2001	2002	86,706,598		1,983,840	

School Portion of Tax Impact – No Property Appreciation

0.000%

DATA BELOW ASSUMES NO CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2024	Estimated Market Value - Taxes Payable 2025	Taxes Payable 2024	Taxes Payable 2025	Estimated Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Percent Change
Residential Homestead	100,000	100,000	284.20	214.56	(69.64)	-24.50%
	125,000	125,000	364.27	278.30	(85.97)	-23.60%
	150,000	150,000	444.44	342.12	(102.31)	-23.02%
	175,000	175,000	524.51	405.86	(118.64)	-22.62%
	200,000	200,000	604.67	469.69	(134.98)	-22.32%
	250,000	250,000	764.91	597.26	(167.66)	-21.92%
	284,100	284,100	874.13	684.20	(189.93)	-21.73%
	300,000	300,000	925.15	724.82	(200.33)	-21.65%
	350,000	350,000	1,085.39	852.39	(233.00)	-21.47%
	400,000	400,000	1,245.63	979.96	(265.67)	-21.33%
	450,000	450,000	1,402.65	1,107.52	(295.13)	-21.04%
500,000	500,000	1,558.50	1,235.09	(323.41)	-20.75%	
Commercial Industrial	250,000	250,000	949.93	770.91	(179.02)	-18.85%
	500,000	500,000	1,973.00	1,607.26	(365.75)	-18.54%
	1,000,000	1,000,000	4,019.15	3,279.96	(739.20)	-18.39%
	2,500,000	2,500,000	10,157.60	8,298.06	(1,859.55)	-18.31%
Ag Homestead (Average Value per Acre)	7,000	7,000	1.63	1.40	(0.23)	-14.38%
	8,000	8,000	1.86	1.60	(0.27)	-14.38%
	9,000	9,000	2.10	1.80	(0.30)	-14.38%
	10,000	10,000	2.33	1.99	(0.34)	-14.38%
Ag Non-Homestead (Average Value per Acre)	7,000	7,000	3.26	2.79	(0.47)	-14.38%
	8,000	8,000	3.73	3.19	(0.54)	-14.38%
	9,000	9,000	4.19	3.59	(0.60)	-14.38%
	10,000	10,000	4.66	3.99	(0.67)	-14.38%

Ag2School Credit

70%

70%

School Portion of Tax Impact – 2.493% Property Appreciation for Residential Homestead and Commercial Properties

2.493%

DATA BELOW ASSUMES A 2.49% CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2024	Estimated Market Value - Taxes Payable 2025	Taxes Payable 2024	Taxes Payable 2025	Estimated Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Percent Change
Residential Homestead	100,000	102,493	284.20	220.90	(63.29)	-22.27%
	125,000	128,116	364.27	286.25	(78.02)	-21.42%
	150,000	153,739	444.44	351.60	(92.84)	-20.89%
	175,000	179,363	524.51	417.03	(107.47)	-20.49%
	200,000	204,986	604.67	482.38	(122.29)	-20.22%
	250,000	256,232	764.91	613.08	(151.84)	-19.85%
	284,100	291,182	874.13	702.34	(171.79)	-19.65%
	300,000	307,479	925.15	743.86	(181.29)	-19.60%
	350,000	358,725	1,085.39	874.56	(210.84)	-19.42%
	400,000	409,972	1,245.63	1,005.34	(240.29)	-19.29%
	450,000	461,218	1,402.65	1,136.12	(266.53)	-19.00%
500,000	512,465	1,558.50	1,269.61	(288.89)	-18.54%	
Commercial Industrial	250,000	256,232	949.93	791.75	(158.17)	-16.65%
	500,000	512,465	1,973.00	1,648.95	(324.05)	-16.42%
	1,000,000	1,024,930	4,019.15	3,363.35	(655.80)	-16.32%
	2,500,000	2,562,324	10,157.60	8,506.55	(1,651.05)	-16.25%



School Portion of Tax Impact – 11.237% Property Appreciation for Agricultural Properties

11.237%

DATA BELOW ASSUMES A 11.24% CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2024	Estimated Market Value - Taxes Payable 2025	Taxes Payable 2024	Taxes Payable 2025	Estimated Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Percent Change
Ag Homestead (Average Value per Acre)	7,000	7,787	1.63	1.55	(0.08)	-4.76%
	8,000	8,899	1.86	1.77	(0.09)	-4.76%
	9,000	10,011	2.10	2.00	(0.10)	-4.76%
	10,000	11,124	2.33	2.22	(0.11)	-4.76%
Ag Non-Homestead (Average Value per Acre)	7,000	7,787	3.26	3.11	(0.16)	-4.76%
	8,000	8,899	3.73	3.55	(0.18)	-4.76%
	9,000	10,011	4.19	3.99	(0.20)	-4.76%
	10,000	11,124	4.66	4.44	(0.22)	-4.76%

Ag2School Credit

70%	70%
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Public Comments and Questions?

