



Howard Lake-Waverly-Winsted, ISD 2687

School Board Meeting

May 8, 2023

Tax Base by Property Type

Assessment Year 2021 (Taxes Payable 2022) Tax Base by Property Type

	Market Value	Percent of Total	Referendum Market Value	Percent of Total	Net Tax Capacity*	Percent of Total
Totals	1,272,662,436	100.0%	931,676,518	100.0%	11,823,056	100.0%
Residential Homestead	642,843,000	50.5%	635,854,073	68.2%	5,941,567	50.3%
Other Residential	104,376,711	8.2%	103,634,886	11.1%	1,119,167	9.5%
Commercial / Industrial	112,424,700	8.8%	112,424,700	12.1%	2,118,839	17.9%
Non Qualifying Agricultural	78,050,700	6.1%	77,147,559	8.3%	719,304	6.1%
Qualifying Agriculture	299,887,725	23.6%	-	0.0%	1,979,746	16.7%
Seasonal Recreational	35,079,600	2.8%	2,615,300	0.3%	347,959	2.9%
TIF & FD					-403,526	-3.4%

*Totals include TIF & Fiscal Disparities adjustments

- Operating Referendum
 - Local Optional Revenue
 - Equity
22% of Total Levy

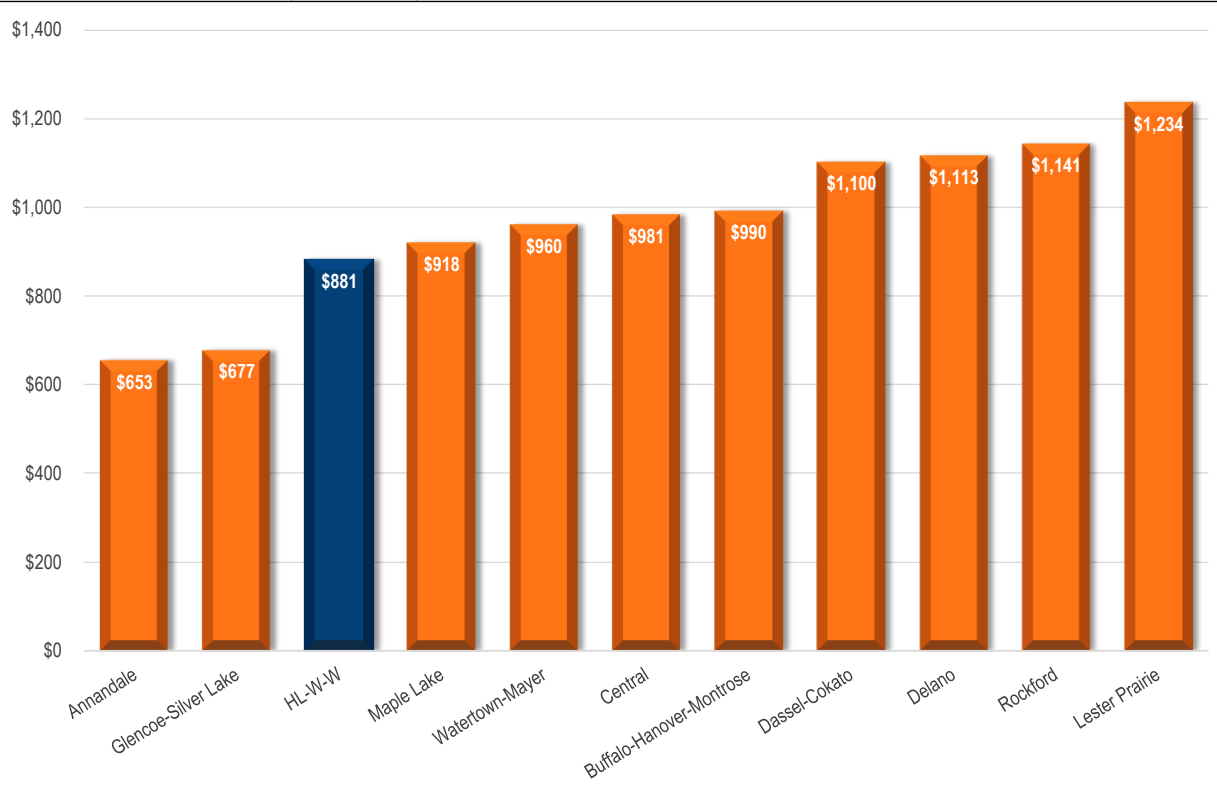
All other school taxes including building bonds
78% of Total Levy

Recent Tax Base Growth

Assess Year	RMV	%	NTC	%
2017	684,064,225		9,107,262	
2018	761,440,200	11.3%	9,894,168	8.6%
2019	816,750,250	7.2%	10,494,312	6.0%
2020	869,853,700	6.5%	11,103,402	5.8%
2021	930,862,875	7.0%	11,776,821	6.0%
2022	1,142,291,459	22.7%	14,352,736	21.9%

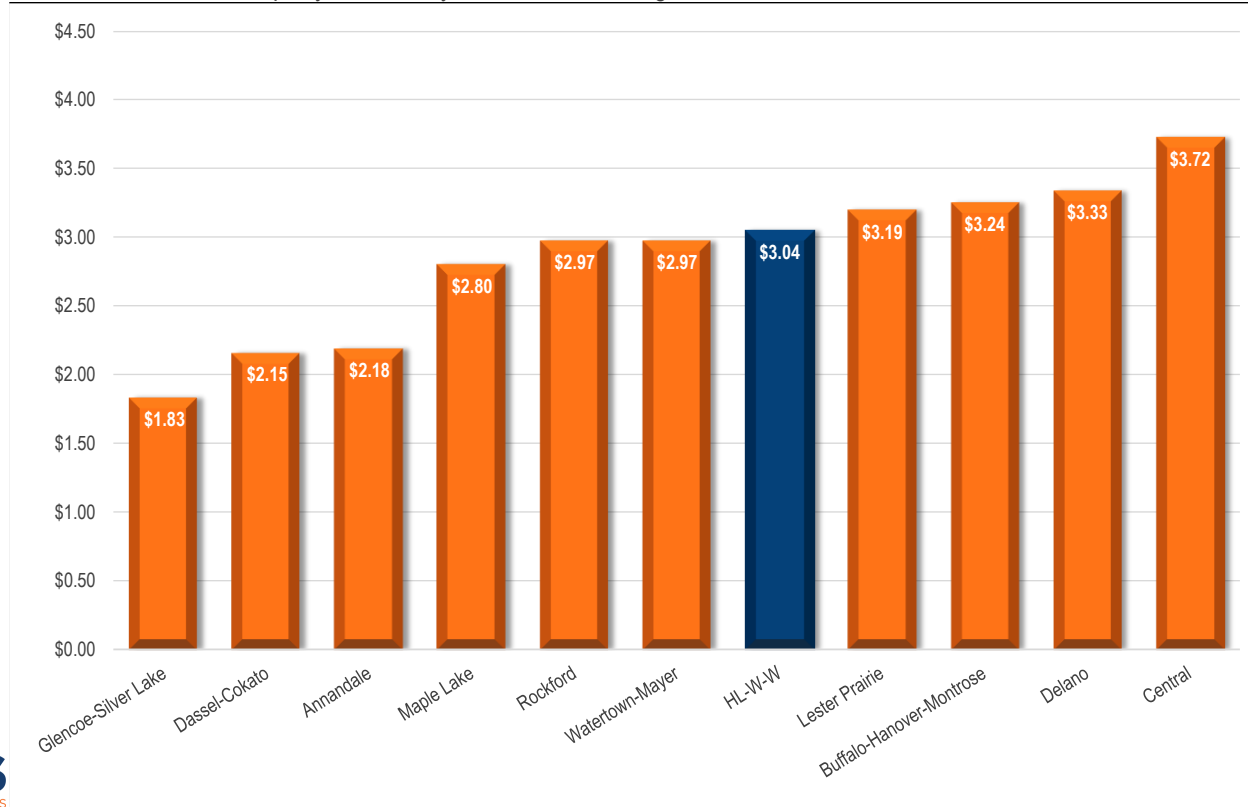
Total School Tax Comparison

Total School Property Taxes, Payable 2023, on a Home with an Estimated Market Value of \$250,000



Total School Tax Comparison

Total School Property Taxes, Payable 2023, on an Ag Acre with an Estimated Market Value of \$5,000



Operating Referendum

Revenue capped at:
\$2,110.97 per student for
Fiscal Year 2024

Allows districts to generate
additional general
education revenue

Revenue can be a
combination of local
property tax levies and
state aid

Annual levy, maximum
length of 10 years

May be indexed to inflation

Taxes spread on
Referendum Market Value
(property types pay same taxes per
dollar of property value)

Property taxes are not levied on:

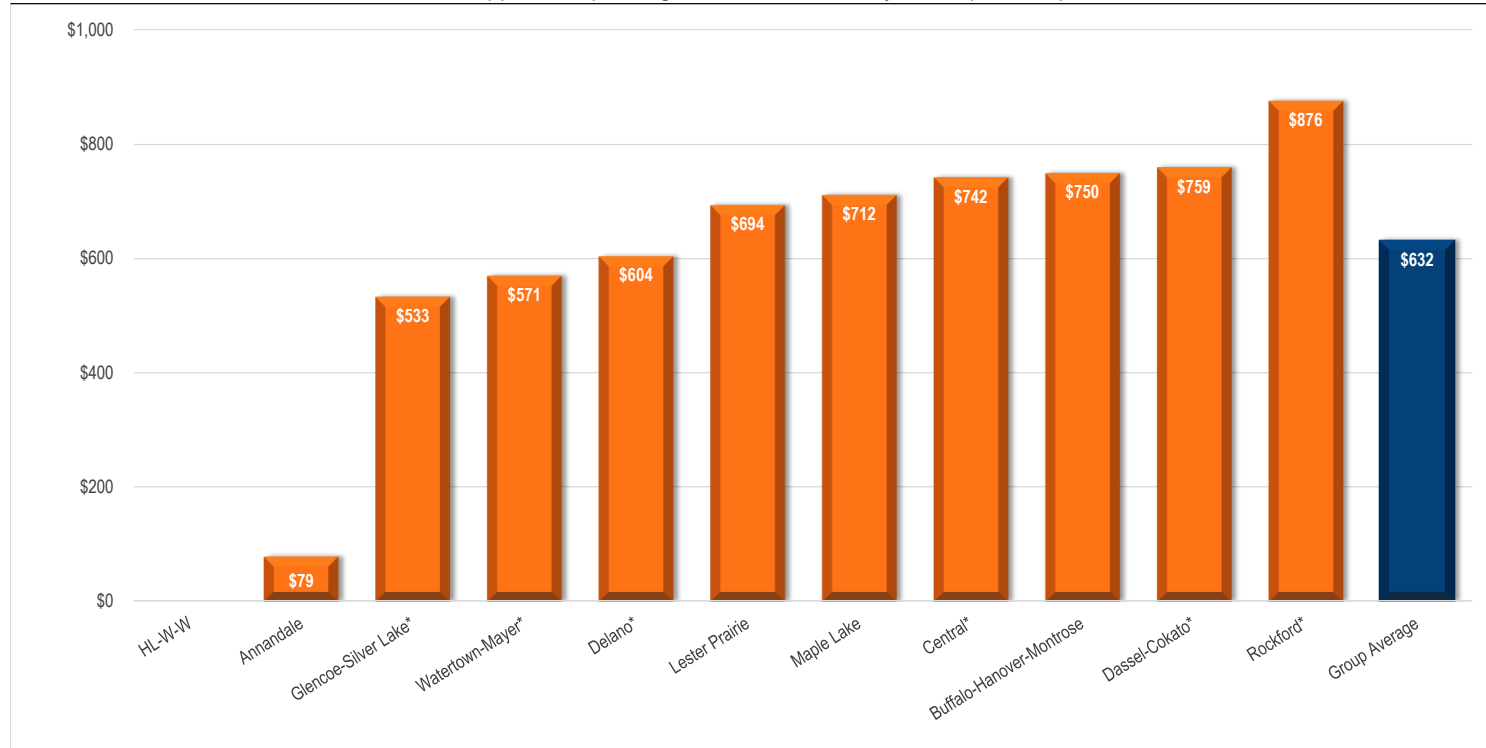
Ag land & buildings (only levied on house,
garage & 1 acre) or Seasonal recreational
property (cabins)

Revenue may be used for
any operating or capital
expenses

(e.g. staff salaries/benefits, utilities,
supplies, technology)

Operating Referendum Comparison

FY 2023-24 Voter Approved Operating Referendum Authority Per Pupil - Comparison Districts



* Authorities with voter approved annual inflationary adjustment
Source: MDE Pay 2023 Levy Reports

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Howard Lake-Waverly-Winsted, ISD 2687

Analysis of Tax Impact for Potential Referendum Levy

May 1, 2023

Options				
Additional Revenue/Pupil Unit	\$300.00	\$400.00	\$500.00	\$555.00
Est. Net Increase in Revenue	\$431,580	\$575,440	\$719,300	\$798,423
Est. Net Increase in Total Revenue <i>(Includes Equity Revenue)</i>	\$411,404	\$548,538	\$685,673	\$761,109

Type of Property	Estimated Market Value	Estimated Taxes for Referendum Only* Taxes Payable in 2024			
	\$100,000	\$35	\$47	\$59	\$65
	125,000	44	59	74	82
	150,000	53	71	88	98
	175,000	62	82	103	114
	200,000	71	94	118	131
	225,000	79	106	132	147
	250,000	88	118	147	163
Residential	300,000	106	141	177	196
Homesteads,	350,000	124	165	206	229
Apartments,	400,000	141	188	235	261
and Commercial-	450,000	159	212	265	294
Industrial Property	500,000	177	235	294	327
	600,000	212	282	353	392
	700,000	247	329	412	457
	800,000	282	377	471	522
	900,000	318	424	530	588
	1,000,000	353	471	588	653
	1,250,000	441	588	736	816
	1,500,000	530	706	883	980
	2,000,000	706	941	1,177	1,306

* The amounts in the table are based on school district taxes for the referendum levy only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the Minnesota Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This may decrease the net effect of the referendum levy for those property owners.

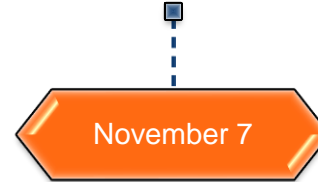
NOTE: The new operating referendum revenue would start with fiscal year 2024-25 and is based on estimated adjusted pupil units (APU) of 1,439. Agricultural property will pay taxes for the proposed referendum based only on the value of the house, garage and one acre. Seasonal recreational residential property (i.e., cabins) will pay no taxes for the proposed referendum.

2023 Election Timeline

Adopt resolution calling for special election & Notify Commissioner of Education & County Auditor of election information



Mail required referendum notice to each taxpayer in District



Special election canvass results (3rd through 10th day following election)

Potential Bond Refunding

- 2014A School Building Bonds and 2014B School Building Refunding Bonds are callable on February 1, 2024
- Bond payments are funded through property tax levy and Ag2School Building Bond credit
 - ✓ All savings from bond refundings reduce future property tax levies
- Estimates are based on current market conditions

Potential Bond Refunding

- Two options for structuring bond potential bond refunding
 1. Immediate, level savings through 2037
 - ✓ About \$70,000-\$85,000 savings annually
 - ✓ Estimated cumulative savings of about \$1 million
 2. Restructure debt, delay savings until 2029 through 2037
 - ✓ Estimated cumulative savings of about \$2.3 million
 - ✓ Create 'step-down' for future capital planning

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Howard Lake-Waverly-Winsted No. 2687
Analysis of Possible Structure for Capital and Debt Levies

\$10,000,000 Bond Issue
20 Tax Levies
Wrapped Around Existing Debt

Type of Bond	Principal Amount	Dated Date	Interest Rate
Voter-Approved Building	\$10,000,000	02/01/28	5.00%

May 2, 2023

Levy Payable	Fiscal Year	Tax Capacity Value ¹		Existing Commitments							Proposed New School Building Bonds				Combined Totals							
		Year	Year	(\$000s)	% Chg	Building Bonds ²	Est. Debt Excess ³	Est. Refunding Savings ⁴	Net Levy	Tax Rate	Lease Levy	Existing Tax Rate	Principal	Interest	Add'l. Debt Excess ³	Net Levy	Initial Debt Levy	State Aid	Net Levy	Tax Rate		
2022	2023	11,777	6.1%					3,102,674	(158,960)	-	2,943,714	25.00	158,023	26.34	-	-	-	-	3,101,737	-	3,101,737	26.34
2023	2024	14,345	21.8%					3,104,984	(129,068)	-	2,975,916	20.75	158,023	21.85	-	-	-	-	3,133,939	-	3,133,939	21.85
2024	2025	15,062	5.0%					3,100,100	(150,313)	189,885	3,139,672	20.85	158,023	21.89	-	-	-	-	3,297,694	-	3,297,694	21.89
2025	2026	15,212	1.0%					3,100,835	(124,004)	195,955	3,172,786	20.86	158,023	21.90	-	-	-	-	3,330,809	-	3,330,809	21.90
2026	2027	15,365	1.0%					3,099,470	(124,033)	236,957	3,212,394	20.91	158,023	21.94	-	-	-	-	3,370,417	-	3,370,417	21.94
2027	2028	15,518	1.0%					3,101,360	(123,979)	267,617	3,244,999	20.91	158,023	21.93	-	-	-	-	3,403,021	-	3,403,021	21.93
2028	2029	15,518	0.0%					3,100,940	(124,054)	(247,250)	2,729,636	17.59	158,023	18.61	-	500,000	-	525,000	3,412,658	-	3,412,658	21.99
2029	2030	15,518	0.0%					3,103,565	(124,038)	(251,713)	2,727,815	17.58	158,023	18.60	-	500,000	-	525,000	3,410,837	-	3,410,837	21.98
2030	2031	15,518	0.0%					3,108,973	(124,143)	(258,433)	2,726,397	17.57	158,023	18.59	-	500,000	-	525,000	3,409,420	-	3,409,420	21.97
2031	2032	15,518	0.0%					3,120,044	(124,359)	(249,554)	2,746,131	17.70	158,023	18.71	-	500,000	(21,000)	504,000	3,408,154	-	3,408,154	21.96
2032	2033	15,518	0.0%					3,264,550	(124,802)	(401,410)	2,738,338	17.65	158,023	18.66	-	500,000	(20,160)	504,840	3,401,201	-	3,401,201	21.92
2033	2034	15,518	0.0%					3,294,790	(130,582)	(420,730)	2,743,478	17.68	158,023	18.70	-	500,000	(20,194)	504,806	3,406,307	-	3,406,307	21.95
2034	2035	15,518	0.0%					3,316,777	(131,792)	(441,247)	2,743,738	17.68	158,023	18.70	-	500,000	(20,192)	504,808	3,406,569	-	3,406,569	21.95
2035	2036	15,518	0.0%					3,342,935	(132,671)	(475,175)	2,735,089	17.63	158,023	18.64	-	500,000	(20,192)	504,808	3,397,919	-	3,397,919	21.90
2036	2037	15,518	0.0%					3,365,972	(133,717)	(494,012)	2,738,243	17.65	158,023	18.66	-	500,000	(20,192)	504,808	3,401,073	-	3,401,073	21.92
2037	2038	15,518	0.0%					-	-	-	-	-	-	2,870,000	500,000	(129,722)	3,408,778	3,408,778	-	3,408,778	21.97	
2038	2039	15,518	0.0%					-	-	-	-	-	-	3,020,000	356,500	(136,351)	3,408,974	3,408,974	-	3,408,974	21.97	
2039	2040	15,518	0.0%					-	-	-	-	-	-	3,170,000	205,500	(136,359)	3,407,916	3,407,916	-	3,407,916	21.96	
2040	2041	15,518	0.0%					-	-	-	-	-	-	940,000	47,000	(136,317)	900,033	900,033	-	900,033	5.80	
2041	2042	15,518	0.0%					-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals								47,627,968	(1,960,514)	(2,349,107)	43,318,346		2,370,339		10,000,000	5,609,000	(660,679)	15,728,771	61,417,456	-	61,417,456	

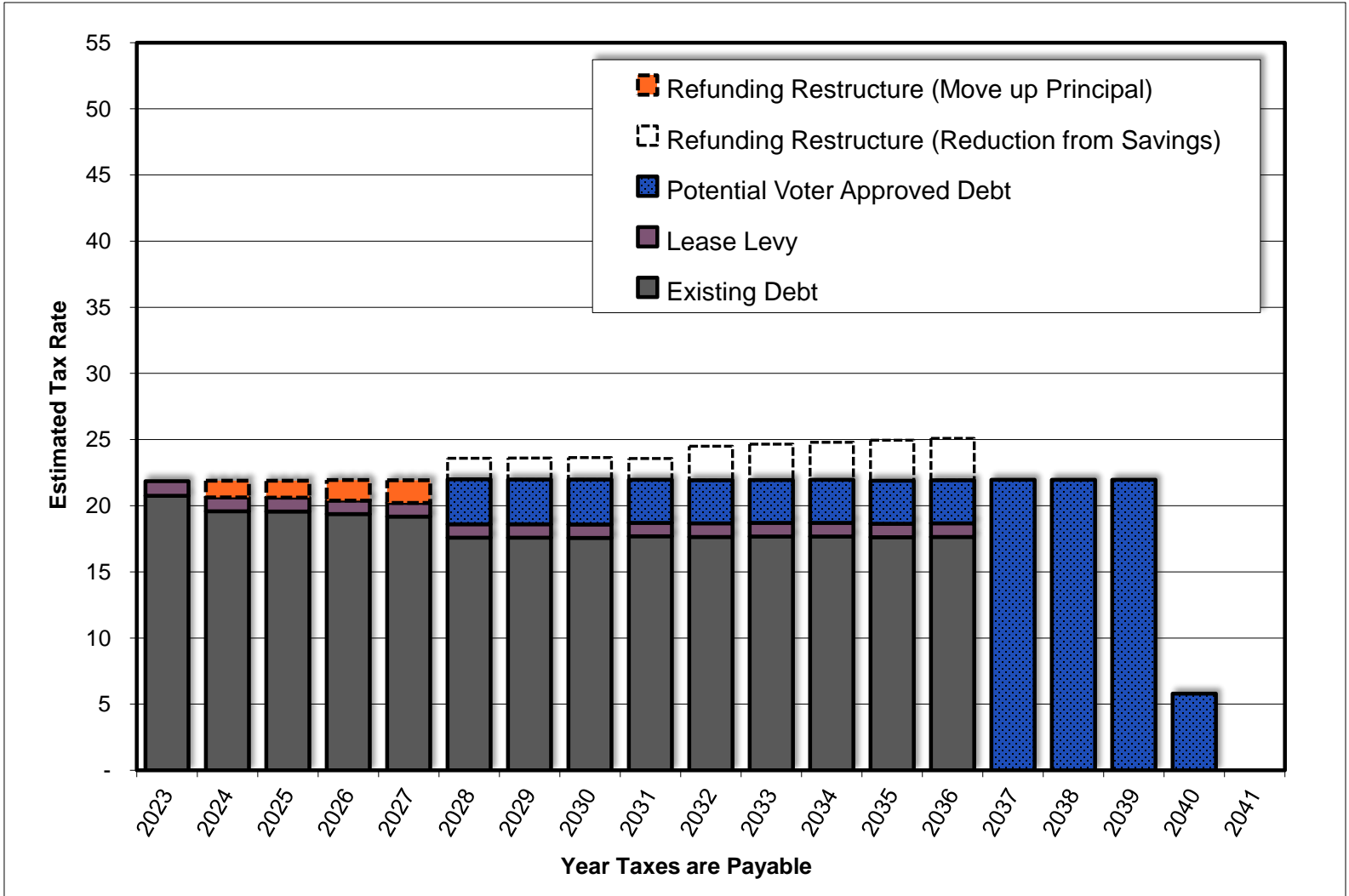
- Tax capacity value for taxes payable in 2022 and 2023 are the actual values. 2024 is an estimate from the Minnesota Department of Revenue. Estimates for future years are based on the percentage changes as shown above.
- Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
- Debt excess adjustment for taxes payable in 2022 and 2023 are the actual amounts. The adjustment for 2024 is an estimate using the June 30, 2022 debt service fund balance. Debt excess for future years is estimated at 4% of the prior year's initial
- Assumes refunding and restructure of 2014A and 2014B bonds in the fall of 2023. The estimated refunding savings are estimates based on current market conditions and will be determined at the time the bonds are sold.

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Howard Lake-Waverly-Winsted No. 2687
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

\$10,000,000 Bond Issue
20 Tax Levies
Wrapped Around Existing Debt

Date Prepared: **May 2, 2023**



Questions



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