

Agenda

Northfield Public Schools Board of Education

Work Session | 03.07.2017

1. Review February 8, 2017, Work Session Highlights.

2. Levy/Bond Options Discussion.

Discussion about what levy/bond options are available to the Board for consideration. A side-by-side tax impact comparison document is included in this packet. Director of Finance Val Mertesdorf will have a "What If" Style spreadsheet available to discuss the impact various revenue and expenditure models, including our operating levy, will have on the long-range financial sustainability for the school district.

3. Potential Levy/Bond Timing Discussion.

Discussion about what desire, if any, the Board has regarding levy/bond timing and any additional research the Board would instruct the Administration to conduct.

4. Next Steps.

Northfield Public Schools
 Potential Tax Impact Analysis
 Board Work Session 3.7.2017

Scenario	\$150,000 Residential Homestead	\$250,000 Residential Homestead	\$350,000 Residential Homestead	\$500,000 Residential Homestead	\$1,000,000 Agricultural Homestead
Existing Ref + \$27M	\$ 56	\$ 105	\$ 154	\$ 223	\$ 246
Existing Ref + \$77M	\$ 161	\$ 300	\$ 438	\$ 637	\$ 702
Existing Ref + \$106M	\$ 221	\$ 412	\$ 603	\$ 876	\$ 966
Ref +\$424 + \$27M	\$ 189	\$ 328	\$ 466	\$ 668	\$ 246
Ref +\$424 + \$77M	\$ 294	\$ 523	\$ 750	\$ 1,082	\$ 702
Ref +\$424 + \$106M	\$ 354	\$ 635	\$ 915	\$ 1,321	\$ 966
Ref +\$470 + \$27M	\$ 203	\$ 350	\$ 497	\$ 713	\$ 246
Ref +\$470 + \$77M	\$ 308	\$ 545	\$ 781	\$ 1,127	\$ 702
Ref +\$470 + \$106M	\$ 368	\$ 657	\$ 946	\$ 1,366	\$ 966

Type of Property	Estimated MV	Estimated Tax Impact, Payable 2018				
		Ref +\$424	Ref +470	Bond \$27M	Bond \$77M	Bond \$106M
Residential Homestead	\$ 150,000	\$ 133	\$ 147	\$ 56	\$ 161	\$ 221
	\$ 250,000	\$ 223	\$ 245	\$ 105	\$ 300	\$ 412
	\$ 350,000	\$ 312	\$ 343	\$ 154	\$ 438	\$ 603
	\$ 500,000	\$ 445	\$ 490	\$ 223	\$ 637	\$ 876
Commercial/Industrial	\$ 250,000			\$ 190	\$ 541	\$ 745
	\$ 500,000			\$ 413	\$ 1,178	\$ 1,621
	\$ 1,000,000			\$ 859	\$ 2,451	\$ 3,374
	\$ 2,000,000			\$ 1,752	\$ 4,998	\$ 6,880
Apartments	\$ 200,000			\$ 112	\$ 318	\$ 438
	\$ 500,000			\$ 279	\$ 796	\$ 1,096
	\$ 1,000,000			\$ 558	\$ 1,592	\$ 2,191
	\$ 2,000,000			\$ 1,116	\$ 3,183	\$ 4,382
Agricultural Homestead	\$ 500,000			\$ 135	\$ 384	\$ 528
	\$ 750,000			\$ 190	\$ 543	\$ 747
	\$ 1,000,000			\$ 246	\$ 702	\$ 966
	\$ 2,000,000			\$ 469	\$ 1,339	\$ 1,843
Agricultural Non-Homestead (dollars per acre)	\$ 4,000			\$ 1.79	\$ 5.09	\$ 7.01
	\$ 5,000			\$ 2.23	\$ 6.37	\$ 8.76
	\$ 6,000			\$ 2.68	\$ 7.64	\$ 10.52
	\$ 7,000			\$ 3.13	\$ 8.91	\$ 12.27
	\$ 8,000			\$ 3.57	\$ 10.19	\$ 14.02

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659

Analysis of Tax Impact for Potential Bond Issue and Operating Referendum Options
November 2017 Election

February 21, 2017

	Bond Referendum			Operating Referendum		
				Continue Existing (with inflationary increase)	Add \$424	Add \$470
Bond Issue Amount/Referendum Authority	\$27,000,000	\$77,000,000	\$106,000,000	\$1,514.02	\$1,938.02	\$1,984.92
	20 Years	20 Years	20 Years			
Estimated Tax Levy, Payable in 2018	\$1,204,875	\$3,436,125	\$4,730,250			
Estimated Revenue Increase, Payable in 2018				\$199,600	\$1,997,002	\$2,195,837
Estimated Increase, NTC Tax Rate	4.46%	12.73%	17.53%			
Estimated Increase, RMV Tax Rate				0.00736%	0.08890%	0.09792%

Type of Property	Estimated Market Value	Estimated Tax Impact, Payable 2018*					
Residential Homestead	\$100,000	\$32	\$91	\$126	\$7	\$89	\$98
	125,000	44	126	174	9	111	122
	150,000	56	161	221	11	133	147
	175,000	69	195	269	13	156	171
	200,000	81	230	317	15	178	196
	250,000	105	300	412	18	222	245
	300,000	129	369	508	22	267	294
	350,000	154	438	603	26	311	343
	400,000	178	508	699	29	356	392
	500,000	223	637	876	37	445	490
600,000	279	796	1096	44	533	588	
Commercial/Industrial +	\$250,000	\$190	\$541	\$745	\$18	\$222	\$245
	500,000	413	1178	1621	37	445	490
	1,000,000	859	2451	3374	74	889	979
	2,000,000	1,752	4,998	6,880	147	1,778	1,958
Apartments	\$200,000	\$112	\$25,466	\$438	\$15	\$178	\$196
	500,000	279	63,665	1,096	37	445	490
	1,000,000	558	127,330	2,191	74	889	979
	2,000,000	1,116	254,660	4,382	147	1,778	1,958
Agricultural Homestead **	\$500,000	\$135	\$384	\$528	\$11	\$133	\$147
	750,000	190	543	747	11	133	147
	1,000,000	246	702	966	11	133	147
	2,000,000	469	1,339	1,843	11	133	147
Agricultural Non-Homestead (dollars per acre)	\$4,000	\$1.79	\$5.09	\$7.01	\$0.00	\$0.00	\$0.00
	5,000	2.23	6.37	8.76	0.00	0.00	0.00
	6,000	2.68	7.64	10.52	0.00	0.00	0.00
	7,000	3.13	8.91	12.27	0.00	0.00	0.00
8,000	3.57	10.19	14.02	0.00	0.00	0.00	

* The estimated tax impact includes principal and interest payments on the new bonds. The figures in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for many property owners.

+ For commercial-industrial property, the tax impact estimates above are for property in Rice and Goodhue counties. For commercial-industrial property in Dakota county, the tax impact of the bond issue would be less than shown above, due to the impact of the Twin Cities Fiscal Disparities program.

** For agricultural homestead property, a value of \$150,000 was assumed for the house, garage, and one acre.