

Taxes

During the past two years the district brought forth two separate requests to increase our current levy amount from \$1883.31 to \$2200.00/APU - adjusted pupil unit. In 2014 that request was denied by 9 votes. In 2015 we asked for the same request. The difference being if it failed this time the district would lose hundreds of thousand of dollars per year if it were not approved. Fortunately, this request was approved by over 200 votes. Within this approved request, our projections estimated taxes would increase around \$5.47 for the average home/outbuilding/up to 1 acre, valued at \$72,100.00.

However, we realized that taxes increased more than our projections. Why was the question? The answer lies in two areas. 1. The levy is driven by enrollment. When enrollment goes up, the tax burden goes up. Of course if enrollment goes down, the levy goes down (this is the scenario that played out over the past 10 years). We are currently on a period of enrollment increase, I.E.. taxes go up. 2. Another area of increase lies in the Elementary Building project that was approved years ago. State law requires us to levy 105% of what is actually owed to protect against tax delinquency. The greater WAO area is very good at paying their taxes. This resulted in a balance accumulation of \$95,000.00 over time, which defrayed part of last years bond payment of over \$275,000.00. This year's payment remains the same but the accumulation balance is now zero. While this area was a small increase, it was an increase none the less. These areas are what caused the overall increase of just under \$10.00/month for that same home value. It is my wish the explanations, state law, and understanding were easy. They are not...but that's Minnesota.

What can be done about it? Know that the district is aware of this situation. Also know that we will try to work on rectifying this situation as we work on next year's taxes. Taking money from the general fund to offset the cost of the building project is the easy answer. This would lower the tax burden. And, as we look into the future, 5-8 years out, barring we can accomplish

- a. Replacing the bus fleet
- b. Fixing the parking lots
- c. Redoing the HS roof
- d. Normal repairs we can't foresee

It is our hope to offer more tax relief at the end of the 10-year \$2200.00/APU approval.

If you have any questions concerning your taxes, levying, or the state levy formulas, please feel free to contact me at any time. Better yet, stop in for coffee so we can discuss this. Feel free to bring your tax statements. Hopefully, I can bring some light and understanding to the issue.

Yours in Education,

Lon Jorgensen