



TRUTH AND TAXATION MEETING

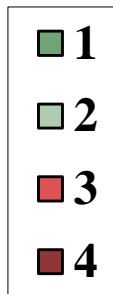
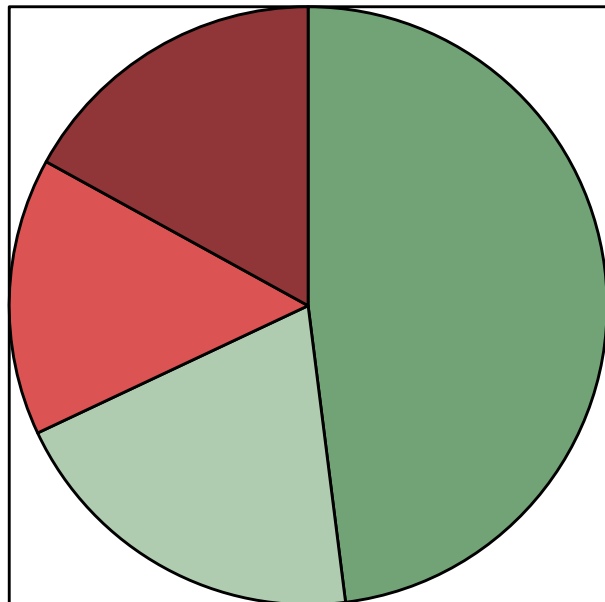
Purpose of this meeting is to present the City's Proposed 2012 Budget and to receive public input and comments



TOTAL BUDGET \$5,511,689

- Two segments make up the total budget
 - Enterprise Funds - \$1,675,299
 - Water, Sewer, Storm Sewer
 - Governmental Funds - \$3,836,390
 - General, Special, Debt, Capital

2012 GENERAL GOVERNMENT BUDGET = \$3,836,390 Expenditures



1. General Operating 48%

\$1,847,107

*General Government, Streets
Grounds, Swimming Pool, Park
Law Enforcement, Dump,
Street Lighting, Animal Control*

2. Special Funds 20%

\$ 787,496

*Library, Economic Development
Fire, Civic Center, Heartland,
Revolving Loan*

3. Debt 15%

\$ 581,486

4. Capital 17%

\$620,301

*Capital Building, Capital Equip.,
TIF Districts*

EXPENDITURES – General & Special Funds

○ General Funds

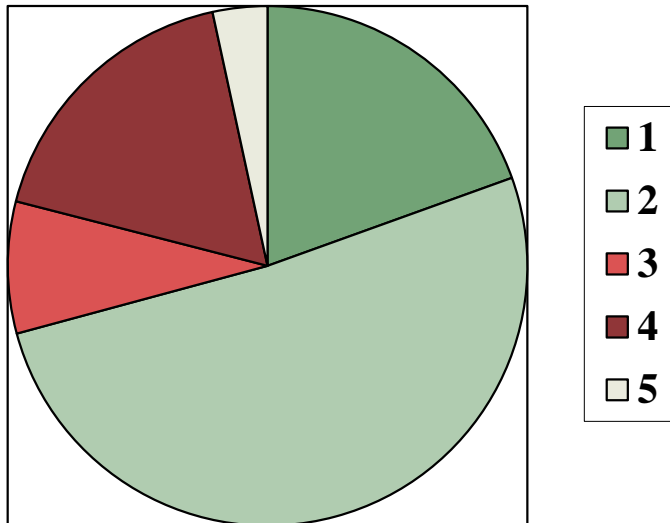
● Clerk	\$429,899
● Law Enforcement	\$451,356
● Fire/Emerg.	\$ 10,750
● Parks	\$255,277
● Solid Waste	\$ 3,958
● Animal Control	\$ 2,100
● Streets	\$357,475
● Swimming	\$175,755
● Summer Rec	\$ 6,000
● Signal Lights	\$ 3,200
● Street Lighting	\$ 96,084
● Unallocated	\$ 55,253

○ Special Funds

● Library	\$275,802
● Economic	\$ 87,403
● Fire Dept	\$259,000
● Civic Center	\$ 60,785
● Heartland Bus	\$ 73,852
● Revolving Loan	\$ 30,655

TOTAL 2012 GENERAL GOVERNMENT = \$3,834,717

Revenues Sources



1. Intergovernmental 19.5%
\$748,647

LGA Aid, Bus Grant, MSA, County Library, State Aids

2. Property Taxes 51.3%
\$1,968,071

3. Other Taxes 8.2%
\$314,368

TIF receipts, Special Assessments

4. Other Revenues 17.6%
\$674,764

Rents, Fees, Donations, Licenses, Permits, Fines, Interest

5. Fund Balance 3.4%
\$130,540



ENTERPRISE FUNDS

- City operations are funded by tax dollars and the property tax system is determined by the State Legislature.
- Enterprise operations are similar to a for-profit commercial business.
- Enterprise operations collect fees that are established by the City through a rate structure and CANNOT use property taxes.
- Established fees must:
 - Cover all operating costs
 - Pay for capital improvements and expansion
 - Fund reserves
 - Be equitable and affordable
- Information from Ehlers Advisor (Sept 2007)



Enterprise Retained Earning

- Retained Earnings (also referred to as reserves) are used for:
 - Operating expenses when a shortfall in current years revenues occurs
 - Unanticipated expenses (major maintenance)
 - Future Recognized project
 - Capital Improvement Projects - mains
 - Major improvements & expansion of Treatment Plant

Factors That Make-up Your Property Taxes



- 1) Assessed Market Value
(Olmsted Co Assessor's Office)
(State laws and formulas)
- 2) School Levy
- 3) City Levy**
- 4) County Levy
- 5) State Tax (commercial/industry
only)

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- 6) School Referendum
- 7) Pool Referendum

HOMESTEAD EXCLUSION LAW

RESIDENTIAL ONLY

New Law: All homesteaded property less than \$413,800 in value will receive a Homestead Market Value Exclusion. This value exclusion will be identified on the valuation notices mailed in March of each year. The taxable value listed on your Proposed Property Tax Statement has been reduced by the amount of the homestead exclusion.

- Homesteaded property no longer receives a credit that reduces the property taxes paid. Instead, a portion of the homestead's property value will be excluded from taxation.
- The Homestead Market Value Exclusion excludes from taxation 40% of the value on the first \$76,000 of a property's value. The amount excluded is reduced as the value rises above \$76,000 (the exclusion reduction is equal to 9% of the value above \$76,000). Homesteads that exceed \$413,800 in value will receive no homestead exclusion. The chart below gives examples of the exclusion amount on homes of various values.

Estimated Market Value	Homestead Exclusion	Taxable Market Value (after Homestead Exclusion)
\$ 76,000	\$ 30,400	\$ 45,600
\$ 150,000	\$ 23,740	\$ 126,260
\$ 250,000	\$ 14,740	\$ 235,260
\$ 350,000	\$ 5,740	\$ 344,260
\$ 400,000	\$ 1,240	\$ 398,760
\$ 425,000	\$ -	\$ 425,000



2012 CITY CERTIFIED LEVY

- Certified Levy \$1,953,071 same as 2011 levy
- Zero increase
- You may see an increase in your “City taxes”. The City Council DID NOT increase the total amount of property taxes they will be collecting. We will be collecting the same amount in 2012 as we did in 2011. The increase is caused by the 2011 State Legislature’s elimination of the Homestead Credit in order to balance the State’s budget.

Taxable Market Value

2011

\$334,257,000

2012

\$299,317,200

Decrease caused by
State's new
Calculation Method
(Homestead Exclusion)

TAX CAPACITY RATE

- Total Tax Capacity Rate

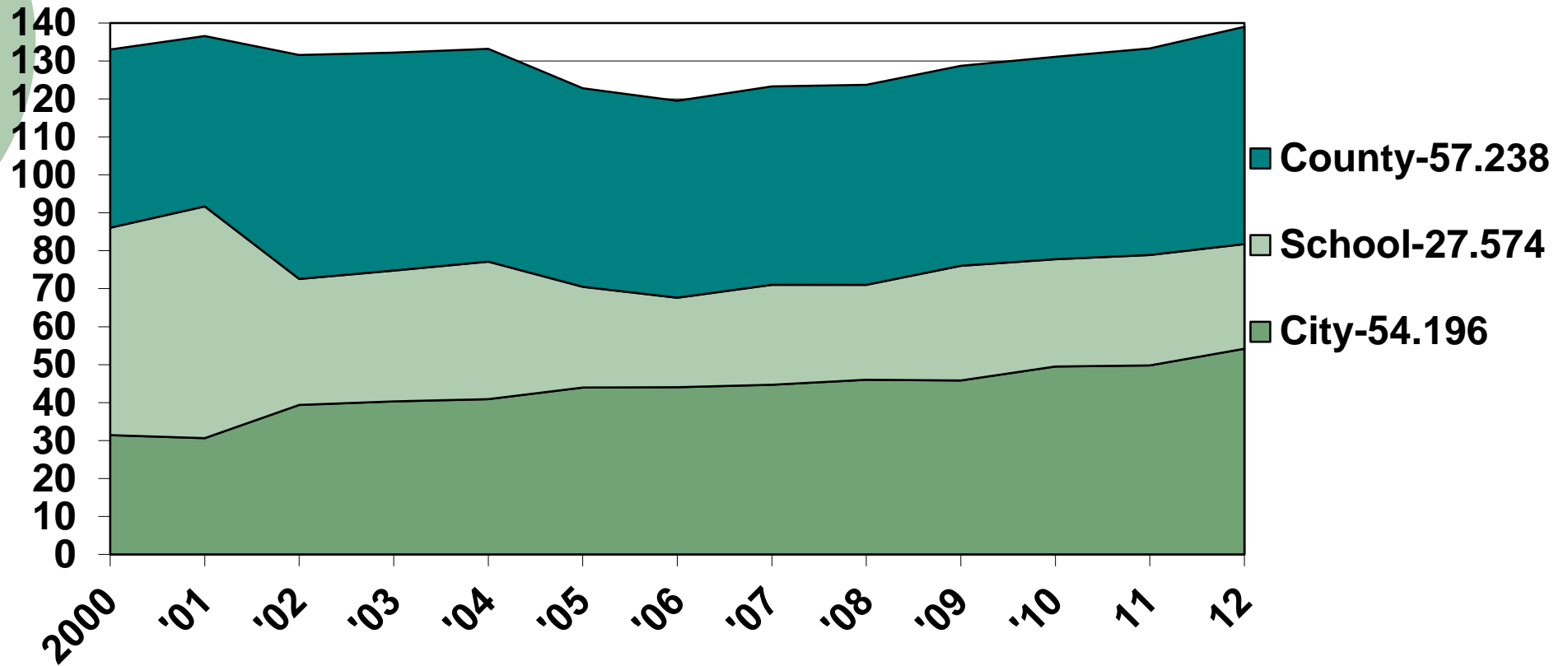
	<u>2011</u>	<u>2012</u>
● City Rate	49.825	54.196
● County Rate	53.985	57.238
● School Rate	27.757	27.574
● Plus Referendum (based on Market Value)		
○ School	.20959%	.21099%
○ Pool	.04845%	.04351%

RESIDENTIAL – Average Home

Example of Property Tax Comparison 2011 to 2012

	2011	2012
Assessed Value	\$154,300	\$154,300
Value after State Homestead Exclusion	\$ 0	\$130,907
City Levy	\$ 768	\$ 709
County Levy	\$ 833	\$ 749
School Levy	\$ 428	\$ 360
School Referendum	\$ 323	\$ 326 (based on original assessed value)
Pool Referendum	\$ 75	\$ 67 (based on original assessed value)
State credit	\$ (233)	\$
TOTAL TAX	\$ 2, 194	\$ 2,211

Property Tax History – (Tax Capacity Rate)



TAX RATE COMPARISON - (Certified Levy Divided by Assessed Market Value)

Population	City	Proposed 2012	2011	2010	2009	2008
3579	St Charles	42.52	33.91	33.36	30.58	34.48
106769	Rochester	49.579	46.172	42.778		
2868	Caledonia	49.665	38.372	38.34	31.95	31.19
5955	Stewartville	54.196	49.799	49.51	45.82	46.00
4914	Byron	54.925	51.014	51.35	50.11	53.60
2521	Wabasha	56.311	56.00	44.05	43.69	44.05
1977	Eyota	57.115	51.307	50.39	49.26	49.53
2789	Chatfield	57.266	67.504	62.09	59.15	58.21
3337	Pine Island	57.273 & 59.931	68.321	65.84	62.54	68.64
5063	Lake City	63.7	55.430	53.01	47.96	45.45
5931	Kasson	65.56	56.48	54.34	54.84	52.50
1700	Kenyon	N/A	57.863	51.45	57.02	56.33
4200	Cannon Falls	70.85	61.9	68.47	60.76	64.47
1197	Mantorville	73.02	63.17	59.32	55.56	52.43
1364	Hayfield	N/A	66.38	69.96	70.56	66.16
3340	Plainview	78.219	74.82	74.53	56.94	56.46
2476	Spring Valley	82.04	75	74.50	75.90	76.28
2600	Dodge Center	87.318	74.5	75.43	71.28	71.25

LEVY DATA PER CAPITAL

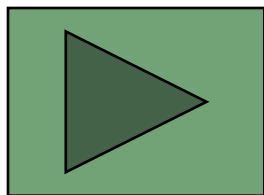
Population	City	City Levy Payable 2012	Per Capita
3579	St Charles	\$863,629	\$241.31
2868	Caledonia	\$710,636	\$247.79
1977	Eyota	\$561,289	\$283.91
5931	Kasson	\$1,919,330	\$323.61
5955	Stewartville	\$1,953,071	\$327.98
	Inc. pool		
1364	Hayfield	\$472,108	\$346.12
2476	Spring Valley	\$878,027	\$354.62
1197	Mantorville	\$427,268	\$356.95
1700	Kenyon	\$657,011	\$386.48
4914	Byron	\$2,057,518	\$418.71
2789	Chatfield	\$1,244,366	\$446.17
106769	Rochester	\$48,500,000	\$454.26
2521	Wabasha	\$1,145,578	\$454.42
2600	Dodge Center	\$1,227,835	\$472.25
3340	Plainview	\$1,579,754	\$472.98
3337	Pine Island	\$1,704,402	\$510.76
4200	Cannon Falls	\$2,268,243	\$540.06
5063	Lake City	\$2,821,860	\$557.35



QUESTIONS????



2012
CITY
BUDGET





THANK YOU FOR COMING
