

2020 General Fund Budget—Final

Margaret McCallum, City Administrator
December 9, 2019



Important Dates:

Preliminary 2020 Budget

- September 23, 2019 - Mayer City Council passes preliminary levy.
- September 30, 2019 - City preliminary levy certification due to Carver County.

Final 2020 Budget

- November 25, 2019 - Truth in Taxation Hearing meeting
- December 9, 2019 - Mayer City Council passes final levy
- December 31, 2019 - City final levy certification due to Carver County.

What is Truth in Taxation?

- It is a process that enhances public participation in Minnesota's property tax system.
- It educates the public on how property taxes are determined.
- It encourages the public to understand the local government's budget process.
- It encourages the public to become involved in helping local officials set spending priorities.

Property Valuation Questions

- That is not the focus of this meeting.
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- The Board of Equalization meeting is held annually in April to answer those types of questions.

Valuation Questions & Concerns

Carver County Assessor's Office

Angela Johnson

Carver County Assessor

952-361-1961

ajohnson@co.carver.mn.us

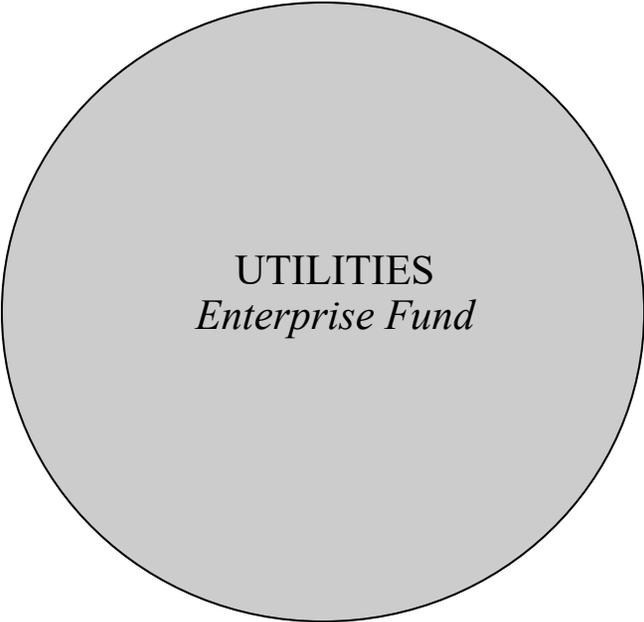
City Tax Rates

2011	59.47%
2012	65.62%
2013	68.83%
2014	67.78%
2015	59.57%
2016	58.91%
2017	51.5%
2018	50.6%
2019	49.1%
2020—Preliminary	52.00%
2020—Proposed Final	49.1%

Two Primary Business Functions

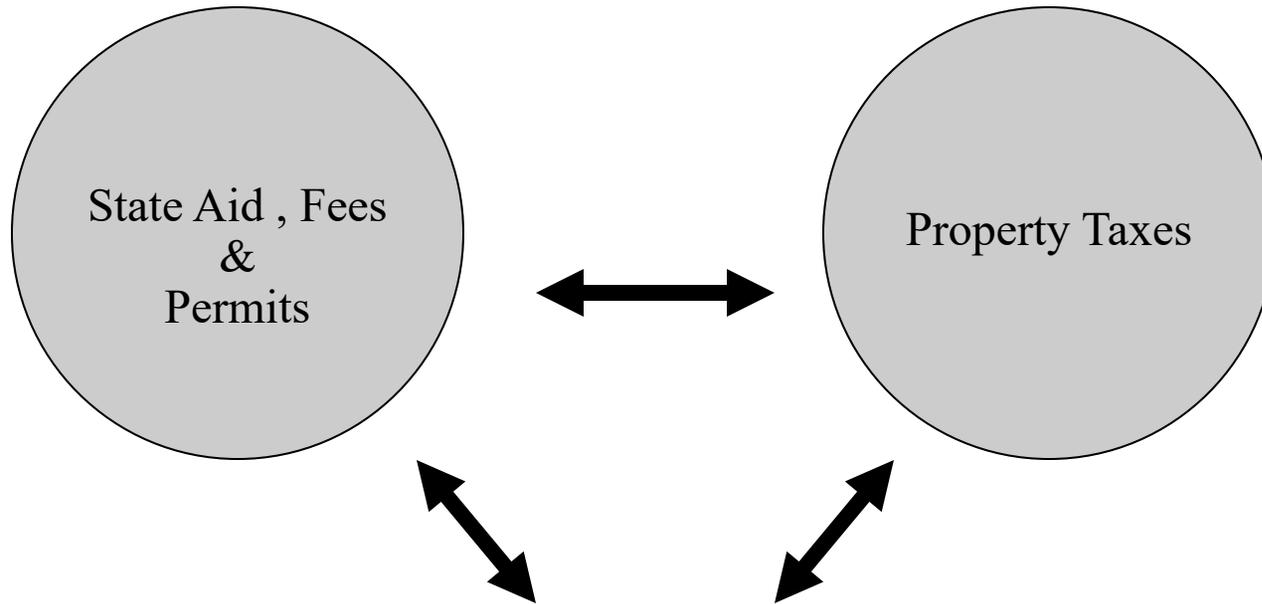


GENERAL
GOVERNMENT
General Fund



UTILITIES
Enterprise Fund

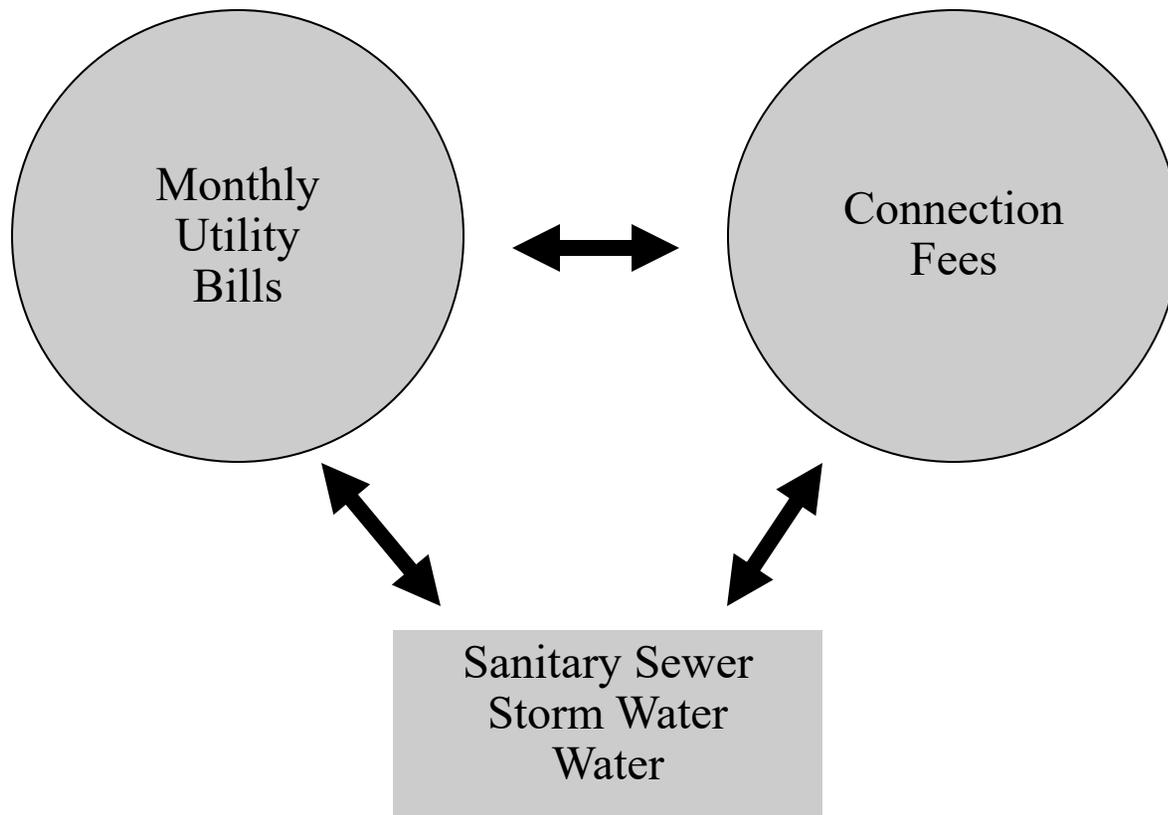
Anatomy of a Budget General Fund



Administration, Building Inspections, Debt Service, Elections, Engineering, Fire, Police, Planning, Legal, and Recreation Programming.

Buildings, Grounds, Parks and Street Maintenance.

Anatomy of a Budget Enterprise Funds



Budget Process

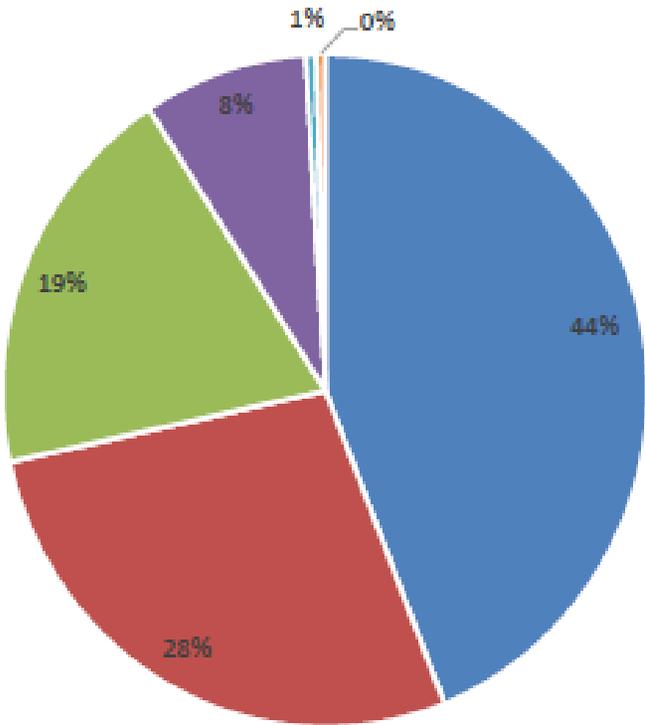
- Staff Prepares Proposed Budgets
- Proposed Budgets are reviewed
 - City Council and Staff Review
 - Occurs During Meetings that are open to the public
- Preliminary Tax Levy and Budget
 - Certified to Carver County - September 2019
- Additional Budget Review
- Truth in Taxation - Additional Public Input
- Final Budget Adoption - December 2019

Debt Tax Levies - 2020

Debt Service Levies	2018 Final	2019 Final	2020 Final
2015A (Roundabout)	\$48,221.00	\$47,100.00	\$46,961.00
2014A (Highway 25 2007A) (Water Tower)	\$150,664.00	\$153,079.00	\$150,000.00
Fire Station - Security Bank	\$8,308.00	\$3,320.00	\$0.00
Fire Truck	\$21,749.00	\$21,749.000	\$21,749.00
Debt Service (Sewer)	\$282,000.00	\$253,000.00	\$254,500.00
Total Debt Service Levy	\$510,942.00	\$477,978.00	\$473,210.00
Total Debt and Capital Levy	\$510,942.00	\$477,978.00	\$473,210.00

2020 General Fund Operating Expenditures - \$1,001,403.06

	Preliminary	Proposed—Final
General Government	\$446,640.41	\$463,770.06
Public Safety	\$270,374.00	\$263,174.00
Public Works	\$194,960.00	\$196,009.50
Park and Recreation	\$83,450.00	\$68,499.50
Compost	\$5,400.00	\$5,400.00
Operating EDA	\$4,550.00	\$4,550.00
	\$1,005,374.41	\$1,001,403.06



- General Government
- Public Safety
- Public Works
- Park and Recreation
- Compost
- Operating EDA

General Levy

	2019	2020—Preliminary	(\$ Change	2020 - Proposed Final	(\$ Change
General Government	\$353,331.78	\$446,640.41	\$93,308.63	\$463,770.06	\$ 110,438.28
Public Safety *	\$370,874.00	\$270,374.00	-\$100,500.00	\$263,174.00	-\$107,700.00
Public Works	\$223,823.00	\$194,960.00	-\$28,863.00	\$196,009.50	-\$27,813.50
Park and Recreation*	\$139,913.00	\$83,450.00	-\$56,463.00	\$68,499.50	-\$71,463.50
Streets*	\$100,000.00	\$0.00	-100,000.00	\$0.00	-\$100,000.00
Compost	\$5,390.00	\$5,400.00	\$10.00	\$5,400.00	\$10.00
Operating EDA	\$4,550.00	\$4,550.00	\$0.00	\$4,550.00	\$0.00
	\$1,197,881.78	\$1,005,374.41	-\$192,507.37	\$1,001,403.06	-\$196,478.72

**Preliminary -
16.04% decrease in
General Fund Levy**

***These funds have money shifting
into Capital Levy Funds**

**Proposed Final -
16.39% decrease in
General Fund Levy**

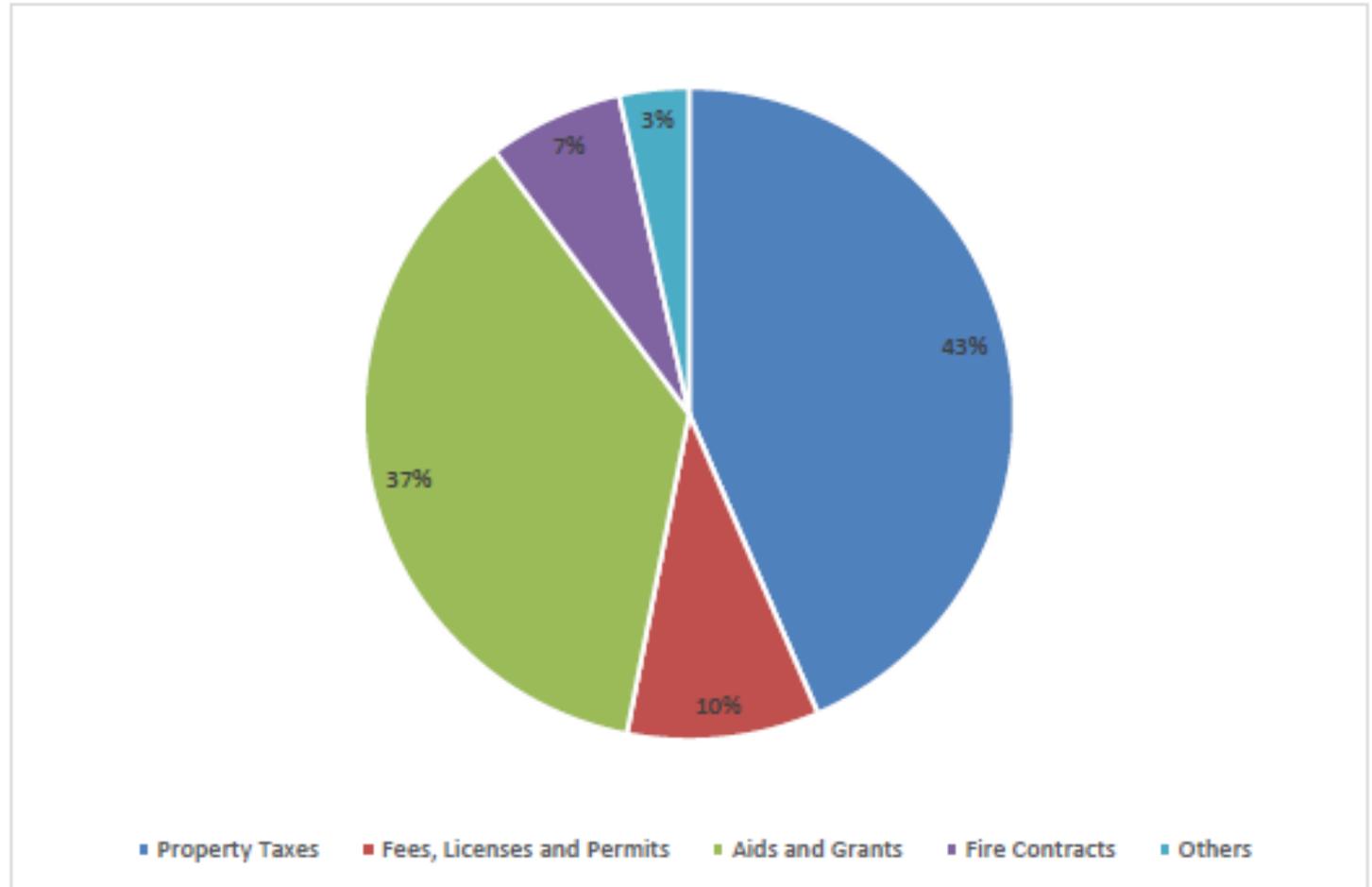
Revenue Overview

- Anticipating 25-30 housing starts in 2020.
- **Local Government Aid** will increase \$25,317 from \$313,058 to \$338,375

Years	Houses Built	Total at Year End	Years	LGA Amount
2012	15	610	2011	\$220,680.00
2013	12	622	2012	\$220,680.00
2014	20	642	2013	\$266,365.00
2015	26	668	2014	\$290,421.00
2016	31	698	2015	\$296,482.00
2017	34	732	2016	\$298,017.00
2018	34	766	2017	\$298,717.00
2019	20 (to date)	786	2018	\$312,296.00
2020	-		2019	\$313,058.00
			2020	\$338,375.00

2020 General Fund Revenues -

	Preliminary	Proposed Final
Property Taxes	\$431,921.27	\$427,949.92
Fees, Licenses and Permits	\$96,900.00	\$96,000.00
Aids and Grants	\$373,375.00	\$373,375.00
Fire Contracts	\$68,178.14	\$68,178.14
Others	\$35,000.00	\$35,000.00
	\$1,005,374.41	\$1,001,403.06



Capital Levy (New)

	2019	2020 - Preliminary	(\$) Change	2020 - Proposed Draft	(\$) Change
Fire Dept Capital Levy	\$100,000.00	\$100,000.00	\$0.00	\$100,000.00	\$0.00
Streets Fund Capital Levy	\$100,000.00	\$112,500.00	\$12,500.00	\$125,000.00	\$25,000.00
Park & Recreation	\$70,000.00	\$100,000.00	\$30,000.00	\$100,000.00	\$30,000.00
	\$270,000.00	\$312,500.00	\$42,500.00	\$325,000.00	\$55,000.00

Staff is proposing a separate Capital Levy for these funds to keep them separate from the operating general funds.

This money will be placed in the capital funds to spend on projects that are needed in the future.

The projects are highlighted in more detail in the City's Long Term Capital Improvement Plan Document.

2020 - Preliminary 2020 - Proposed Draft

<u>TAXES LEVIED FOR GENERAL</u>	\$431,934.87	427,949.92
<u>TAXES LEVIED FOR CAPITAL FUNDS</u>		
Street Capital Fund	\$112,500.00	\$125,000.00
Fire Capital Fund	\$100,000.00	\$100,000.00
Parks Capital Fund	\$100,000.00	\$100,000.00
TOTAL CAPITAL	\$312,500.00	\$325,000.00
<u>TAXES LEVIED FOR DEBT</u>		
Fire Station	\$0.00	\$0.00
GO Improvement and Utility Refunding Bonds 2014A	\$218,079.00	\$150,000.00
Fire Truck	\$21,749.00	\$21,749.00
GO Bonds 2015A	\$46,961.00	\$46,961.00
GO Water & Sewer Refunding Bonds - 2007A	\$254,500.00	\$254,500.00
TOTAL DEBT	\$541,019.00	\$473,210.00
Total Levy (Gen +Capital+Debt)	\$1,285,453.87	\$1,226,159.92
- Fiscal Disparities	\$226,107.00	\$226,107.00
New Actual Levy	\$1,059,346.87	\$1,000,052.92
Actual (Projected) Tax Cap.	\$2,134,422.00	\$2,134,422.00
- FD Contribution	\$96,240.00	\$96,240.00
Adjusted Tax Capacity	2,038,182.00	\$2,038,182.00
Actual (Projected) Tax Rate (Actual Levy/Adj TC)	52.00%	49.1%

2020 Tax Levy - Factors

• Market Value

- Carver County is responsible for valuations
- Current Increasing Trends
 - * 2019 Assessment/2020 Payable ~9.76% Increase

• Tax Capacity

- Change is dependent on market value
- New Construction in 2019
 - 20 New Homes (to date)

• Tax Levy

- General Operating Fund Decrease of 16.04% - Preliminary and 16.39% - Proposed Final (shift of funds)
- Tax Levy Percentage increase of 2.75% - Preliminary and .00% - Proposed Final
 - * Growing City = Growing Needs
 - * Future Planning (Capital Reserves)
 - * Debt Service

• Other Districts

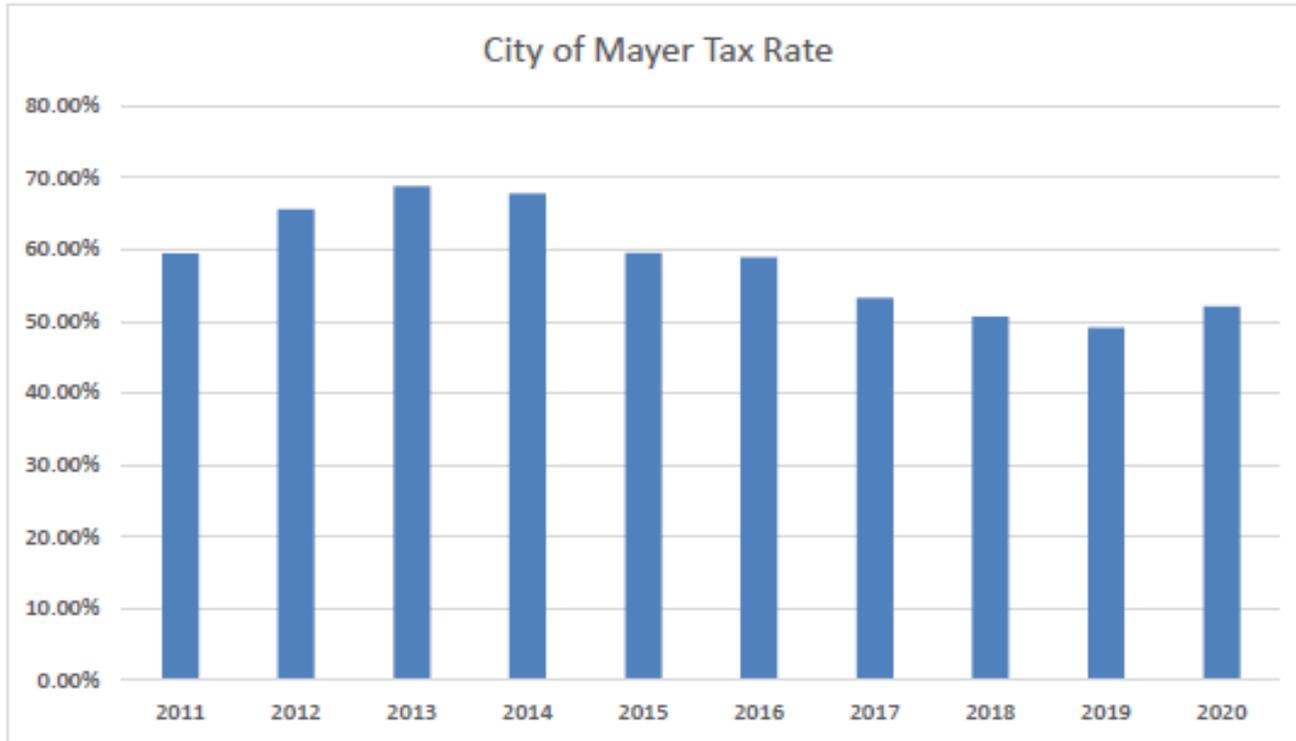
- Carver County
- School District (Watertown - Mayer)
- Other special taxing districts

Carver County Market Values

City of Mayer 2019 Assessment Summary

	Residential	Commercial/Industrial	Apartment	Ag	Total
2019 EMV	\$195,714,400	\$11,394,600	\$835,900	\$1,584,900	\$209,529,800
2018 EMV	\$178,446,900	\$10,307,100	\$756,600	\$1,384,800	\$190,895,400
Total Value Change	\$17,267,500	\$1,087,500	\$79,300	\$200,100	\$18,634,400
New Construction	\$8,838,900	\$0	\$0	\$0	\$8,838,900
Market Change	\$8,428,600	\$1,087,500	\$79,300	\$200,100	\$9,795,500
% New Construction	4.52%	0.00%	0.00%	0.00%	4.22%
% Market Change	4.72%	10.55%	10.48%	14.45%	5.13%
2018 Total % Increase	9.68%	10.55%	10.48%	14.45%	9.76%

The City of Mayer tax rate is determined by dividing the jurisdiction’s levy by the jurisdiction’s taxable net tax capacity.



YEAR	TAX RATE	STATUS
2012	65.66%	FINAL
2013	68.84%	FINAL
2014	67.78%	FINAL
2015	59.57%	FINAL
2016	58.91%	FINAL
2017	53.29%	FINAL
2018	50.61%	FINAL
2019	49.10%	FINAL
2020	52.00%	PRELIM
2020	49.10%	FINAL

TOTAL LEVY (Debt Levy + General Levy)

	2018 Final	2019	2020— Preliminary	2020— Proposed Final
General Levy	\$480,931.00	\$639,646.00	\$431,921.27	\$427,949.92
Debt Service Levy	\$510,942.00	\$477,978.00	\$541,289.00	\$473,210.00
Capital Levy			\$312,500.00	\$325,000.00
Total Levy	\$991,873.00	\$1,117,624.00	\$1,285,710.27	\$1,226,159.92
Percent Change	-	12.7%	15.1%	9.7%

Levy Information W/ Capital— Preliminary

\$1,285,710.27

Tax Capacity Based Levy Amount (After LGA)

- \$226,107

Fiscal Disparities Distribution Dollars

\$1,059,603.27

Local Levy for 2020

2020 Adjusted Tax Capacity—\$2,038,182.00

\$1,059,603.27/\$2,038,182 x 100 = 52.00%

Each local taxing jurisdiction certifies a levy equal to the amount it intends to raise from property taxes in the upcoming year.

Levy Information W/ Capital— Proposed - Final

\$1,226,195.92

Tax Capacity Based Levy Amount (After LGA)

- \$226,107

Fiscal Disparities Distribution Dollars

\$1,000,088.92

Local Levy for 2020

2020 Adjusted Tax Capacity—\$2,038,182.00

\$1,000,088.92/\$2,038,182.00 x 100 = 49.1%

Comparison to other Carver County Cities

CITY	2019 FINAL RATE
Chanhassen	21.10 %
Chaska	27.67%
Victoria	31.27%
Mayer	49.10%
Carver	50.59%
Waconia	52.50%
Watertown	56.47%
Cologne	62.41%
NYA	70.39%
New Germany	97.65%
Hamburg	122.13%

Example Calculation of Property Taxes



Estimated Market Value \$300,000
 Homestead Exclusion (\$10,200)
Taxable Market Value \$289,800

\$289,800	X	1%	=	\$2,898
Taxable Market Value	x	Residential Tax Class Rate	=	Tax Capacity
\$2,898	X	52.00%	=	\$1,503.96
Tax Capacity	x	City of Mayer Tax Rate	=	City of Mayer Property Taxes
\$289,800	X	1%	=	\$2,898
Taxable Market Value	x	Residential Tax Class Rate	=	Tax Capacity
\$2,898	X	49.1%	=	\$1,422.92
Tax Capacity	x	City of Mayer Tax Rate	=	City of Mayer Property Taxes

Property Taxes Represented as a monthly Bill for City Services

Preliminary - A home with an estimated Market Value of \$300,000 will pay an estimated \$1,503.96 per year in City of Mayer property taxes, or **\$125.58 per month.**

Proposed Final- A home with an estimated Market Value of \$300,000 will pay an estimated \$1,422.92 per year in City of Mayer property taxes, or **\$118.58 per month.**

<i>City of Mayer Monthly Services</i>	<i>Preliminary</i>	<i>P-Final</i>
<i>Street Repairs, Snow Plowing, Fleet Maintenance</i>	<i>\$12.23</i>	<i>\$12.23</i>
<i>Debt Payments</i>	<i>\$35.86</i>	<i>\$32.02</i>
<i>General Administration</i> <i>Including: Administration, Assessor, auditor, legal, elections, IT support, Supplies and projects</i> <i>Planning and Zoning, Engineering, Building Inspection.</i>	<i>\$32.30</i>	<i>\$31.30</i>
<i>Fire Protection</i>	<i>\$8.54</i>	<i>\$8.54</i>
<i>Police Protection</i>	<i>\$10.08</i>	<i>\$8.51</i>
<i>Park Recreation Facilities and Programming</i>	<i>\$5.78</i>	<i>\$5.78</i>
<i>Capital</i>	<i>\$20.10</i>	<i>\$19.51</i>
<i>Compost</i>	<i>\$0.37</i>	<i>\$0.37</i>
<i>Operating EDA</i>	<i>\$0.32</i>	<i>\$0.32</i>
<i>Total</i>	<i>\$125.58</i>	<i>\$118.58</i>



QUESTIONS?
COMMENTS?