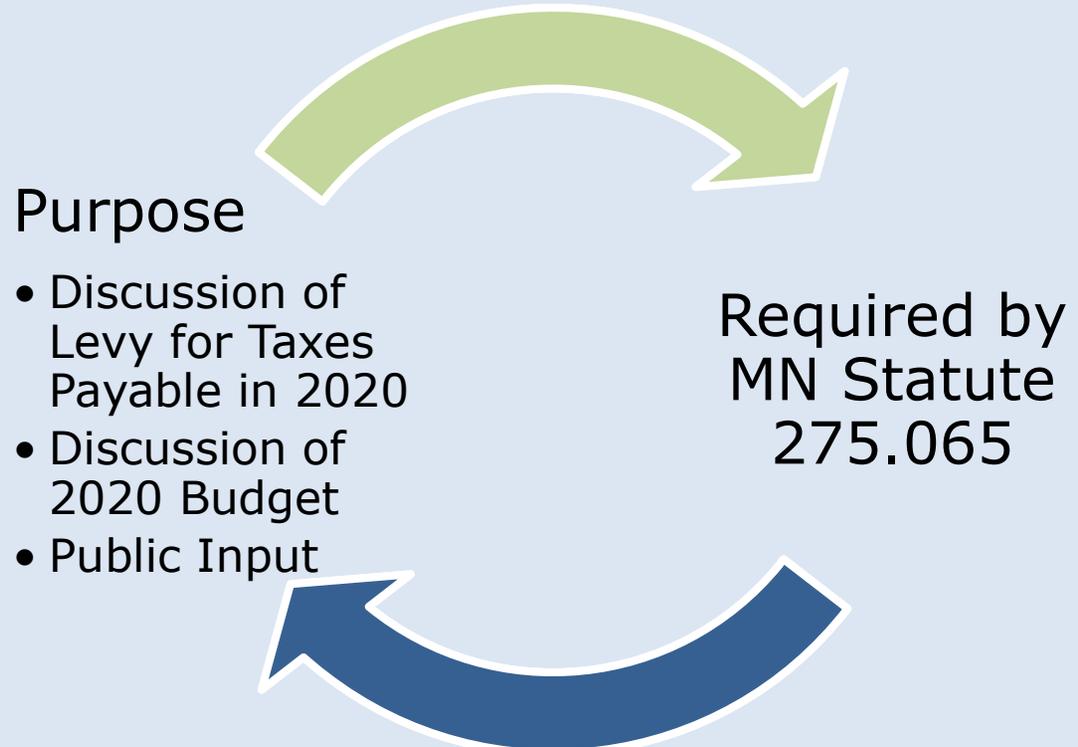




THE CITY OF
EXCELSIOR
MINNESOTA

Truth-in-Taxation and
2020 Budget Presentation

December 2, 2019
City Council Meeting



Purpose

- Discussion of Levy for Taxes Payable in 2020
- Discussion of 2020 Budget
- Public Input

Required by
MN Statute
275.065

Truth in Taxation

Budget Process



Council establishes 2020 Budget Goals and Objectives



Staff prepares proposed budgets



Budget Discussions at Council Worksessions



Preliminary Tax Levy & Budget

Approved on September 16, 2019



Continue Budget Review

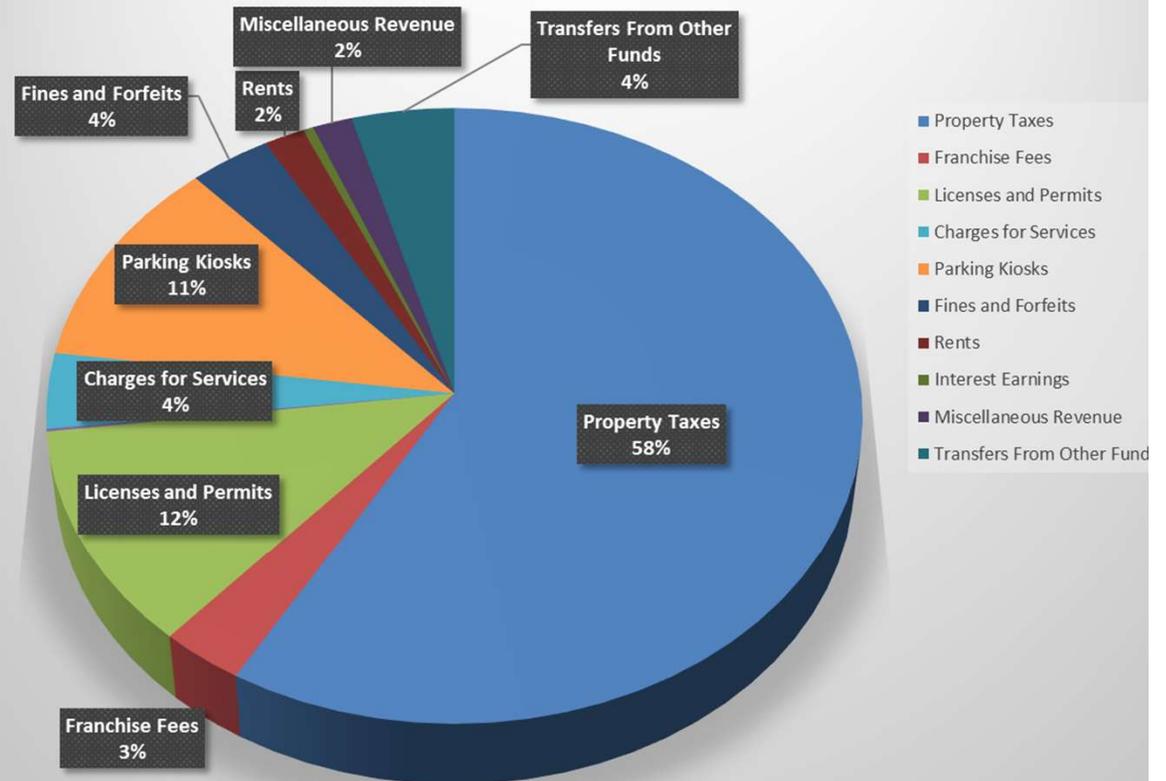


Final Budget Adoption

Truth in Taxation
Public Input

Property Taxes account for 58% of the City's 2020 Budgeted General Fund Revenue.

General Fund Revenue by Source



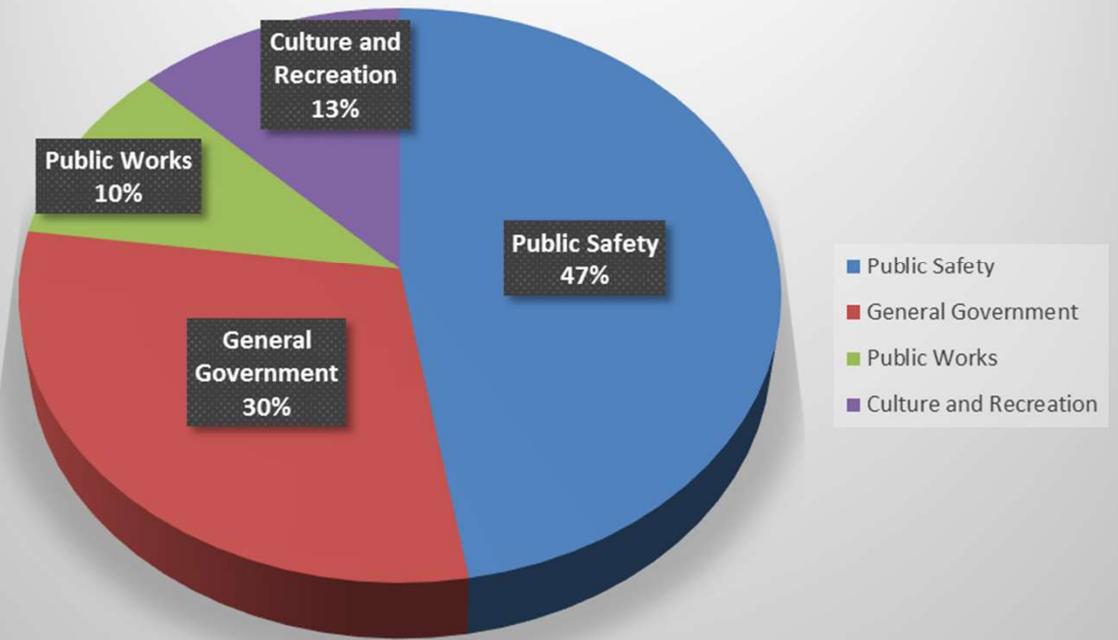
General Fund Budget - Revenues by Source

	2019 Budget	2020 Budget	\$ Chg vs 2019 Budget	% Chg vs 2019 Budget
Revenues				
Property Taxes*	1,386,700	1,333,928	(52,772)	-3.81%
Franchise Fees	69,750	70,750	1,000	1.43%
Licenses and Permits	261,075	263,925	2,850	1.09%
Intergovernmental Revenues	3,095	3,095	-	0.00%
Charges for Services	74,400	90,400	16,000	21.51%
Parking Kiosks	265,000	255,000	(10,000)	-3.77%
Fines and Forfeits	69,575	79,575	10,000	14.37%
Rents	38,600	39,600	1,000	2.59%
Interest Earnings	20,000	10,000	(10,000)	-50.00%
Miscellaneous Revenue	43,550	38,550	(5,000)	-11.48%
Transfers From Other Funds	165,579	100,000	(65,579)	-39.61%
	<u>2,397,324</u>	<u>2,284,823</u>	<u>(112,501)</u>	<u>-4.69%</u>



What Does
the City
Levy Pay
for?

General Fund Expenditures by Function



General Fund Budget - Expenditures by Function

Public Safety	\$	1,081,949	47.35%
General Government		681,219	29.81%
Public Works		236,545	10.35%
Culture and Recreation		285,110	12.48%
Transfers to Other Funds		-	0.00%
Total General Fund Expenditures	\$	2,284,823	100.00%

Notes:

- Public Safety consists of Police, Fire, and Building Inspections.
- General Government consists of City Council, City Manager/Clerk, Elections, Finance, Planning and Zoning, City Administration (City Hall), and Heritage Preservation.
- Public Works consists of Engineering and Streets.
- Culture and Recreation consists of Park Maintenance, Recreation Programs, and Cemetery.
- Transfers to Other Funds are contributions toward future capital improvements.



General Fund Expenditures

	2019 Budget	2020 Budget	\$ Chg vs 2019 Budget	% Chg vs 2019 Budget
Expenditures				
Council	27,435	22,235	(5,200)	-18.95%
City Manager/Clerk	115,860	126,323	10,464	9.03%
Elections	1,300	10,275	8,975	690.38%
Finance	50,414	65,121	14,707	29.17%
Planning and Zoning	120,642	119,202	(1,440)	-1.19%
City Administration	284,820	301,763	16,943	5.95%
Parking Kiosks	35,000	35,000	-	0.00%
Heritage Preservation	1,185	1,300	115	9.70%
Police	783,637	794,147	10,510	1.34%
Fire Contract	223,100	232,802	9,702	4.35%
Building Inspection	40,000	55,000	15,000	37.50%
Engineering	13,000	16,000	3,000	23.08%
Streets	220,328	220,545	217	0.10%
Park Maintenance	223,559	233,076	9,517	4.26%
Recreation Programs	33,200	26,000	(7,200)	-21.69%
Cemetery	24,460	26,034	1,574	6.43%
Transfers To Other Funds	199,384	-	(199,384)	-100.00%
	<u>2,397,324</u>	<u>2,284,823</u>	<u>(112,501)</u>	<u>-4.69%</u>

City of Excelsior
2020 General Fund Revenue & Expense Budget Summary

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	\$ Chg vs 2019 Budget	% Chg vs 2019 Budget
GENERAL FUND						
Revenues						
Property Taxes*	1,324,632	1,276,883	1,386,700	1,333,928	(52,772)	-3.81%
Franchise Fees	69,630	70,225	69,750	70,750	1,000	1.43%
Licenses and Permits	413,801	241,985	261,075	263,925	2,850	1.09%
Intergovernmental Revenues	7,877	3,095	3,095	3,095	-	0.00%
Charges for Services	159,586	104,520	74,400	90,400	16,000	21.51%
Parking Kiosks	259,462	240,327	265,000	255,000	(10,000)	-3.77%
Fines and Forfeits	95,891	83,752	69,575	79,575	10,000	14.37%
Rents	46,453	45,279	38,600	39,600	1,000	2.59%
Interest Earnings	6,072	8,241	20,000	10,000	(10,000)	-50.00%
Miscellaneous Revenue	41,103	35,147	43,550	38,550	(5,000)	-11.48%
Transfers From Other Funds	102,800	80,000	165,579	100,000	(65,579)	-39.61%
	<u>2,527,307</u>	<u>2,189,454</u>	<u>2,397,324</u>	<u>2,284,823</u>	<u>(112,501)</u>	<u>-4.69%</u>
Expenditures						
Council	20,139	21,912	27,435	22,235	(5,200)	-18.95%
City Manager/Clerk	106,491	111,332	115,860	126,323	10,464	9.03%
Elections	867	6,820	1,300	10,275	8,975	690.38%
Finance	39,398	35,307	50,414	65,121	14,707	29.17%
Planning and Zoning	96,844	84,581	120,642	119,202	(1,440)	-1.19%
City Administration	267,766	304,955	284,820	301,763	16,943	5.95%
Parking Kiosks	30,617	31,173	35,000	35,000	-	0.00%
Heritage Preservation	427	1,129	1,185	1,300	115	9.70%
Police	728,244	757,333	783,637	794,147	10,510	1.34%
Fire Contract	197,592	208,681	223,100	232,802	9,702	4.35%
Building Inspection	41,621	92,239	40,000	55,000	15,000	37.50%
Engineering	17,680	15,439	13,000	16,000	3,000	23.08%
Streets	190,410	241,993	220,328	220,545	217	0.10%
Park Maintenance	126,096	206,441	223,559	233,076	9,517	4.26%
Recreation Programs	92,380	33,013	33,200	26,000	(7,200)	-21.69%
Cemetery	21,278	22,312	24,460	26,034	1,574	6.43%
Transfers To Other Funds	229,195	375,377	199,384	-	(199,384)	-100.00%
	<u>2,207,045</u>	<u>2,550,037</u>	<u>2,397,324</u>	<u>2,284,823</u>	<u>(112,501)</u>	<u>-4.69%</u>
Net Income (Loss)	320,262	(360,583)	-	-		

* Property Taxes include current taxes, delinquent taxes and fiscal disparities.



What do
your
property tax
dollars pay
for?

Services by Taxing Districts				
City of Excelsior (21%)	Hennepin County (33%)	Independent School District #276 (40%)	Metropolitan Special Taxing Districts (Met Council) (2%)	Other Special Taxing Districts (4%)
Police and Fire	Social Services	K-12 Education	Transportation	Regional Parks
Roads and Streets	Public Health	Community Education	Regional Sewer Systems	Regional Railroads
Parks and Recreation	Road and Highways		Mosquito Control (public health)	Museums
Building Safety	Libraries			Watershed Management
	Corrections			Public Housing
	Sheriff			
	Environmental Services			



Where else does your property tax dollar go?



40%
Minnetonka
School District

33%
Hennepin
County

21%
City of
Excelsior

2% Met
Council

4%
Other

City of Excelsior Property Taxes

- City property taxes are determined by the City's Levy.
- Excelsior's levy consists of a General levy, a Capital Improvement Levy (new in 2020) and three Debt Service levies to service bonds issued for the 2010-2011, 2017 and 2019 street improvement projects.
- Hennepin County is responsible for valuations
 - 2019 Assessment Payable 2020
 - ~ 5.6% increase over prior year
 - Valuation Notices sent in March
 - City holds Open Book Meeting in April
 - ~ Opportunity to contest valuation



Components of City's Levy

	<u>2018</u>	<u>2019</u>	<u>\$ change</u>	<u>% change</u>
General Fund	\$ 1,390,202	\$ 1,339,372	\$ (50,830)	-4%
Capital Improvement	-	93,000	\$ 93,000	#DIV/0!
General Revenue	1,390,202	1,432,372	\$ 42,170	3%
Debt Service				
2010A	100,000	100,000	\$ -	0%
2017A	76,037	78,767	\$ 2,730	4%
2019A	-	162,952	\$ 162,952	#DIV/0!
Debt Service	176,037	341,719	\$ 165,682	94%
Total Levy	\$ 1,566,239	\$ 1,774,091	\$ 207,852	13.27%

Hennepin County

A 400 Government Center
300 S. Sixth Street
Minneapolis, MN 55487-0060
612-348-3011 www.hennepin.us

Proposed levies & taxes 2020

2019 values for taxes payable in 2020

71 JOHN J DOE
123 MAIN ST NW
ANYOWN MN 12345-6789

THIS IS NOT A BILL — DO NOT PAY

[\(Click Here for Taxing Authority Web Sites\)](#)

Property ID NO: 26-129-2441-001
72 123 MAIN ST NW 73

Property taxes statement schedule

Step 1 Value & classification

TAX YEAR PARCEL CLASS	2019 MARKET VALUE	2020 MARKET VALUE
Estimated Market Value:	\$176,000	\$206,000
Homestead Exclusion:	\$21,400	\$19,700
Other Exclusion/Deferral:	\$0	\$0
Taxable Mkt Value:	\$154,600	\$187,300

Step 2 Proposed levies & taxes

2015 TAX:	\$2,478.38
2016 PROPOSED:	\$2,890.13
Percent change:	16.6%

Now is the time to provide feedback on proposed levies. It is too late to appeal your value or classification without going to Tax Court.

Step 3 Property tax statement
Coming March 2020, due May 15, 2020 and Oct 15, 2020

[Budget Meeting Dates](#)
[Times and location](#)

Address for correspondence	Actual 2019	Proposed 2020	Meeting date & location
Hennepin County A2400 Government Center Minneapolis MN 55487 612-348-3011	\$799.83	\$907.71	Dec 2, 2015 6:00 PM Commissioner Board Room A2400 Government Center Minneapolis MN 55487
City of GREENFIELD Greenfield City Hall 7738 Commerce Circle Greenfield MN 55357	\$585.34	\$692.39	Dec 2, 2015 7:00 PM Greenfield City Hall 6390 Town Hall Drive Greenfield MN 55357
STATE GENERAL TAX			
School District 883 Voter Approved Levy:			No meeting required
Other Local Levies:	\$583.90	\$667.08	Dec 15, 2015 6:30 PM Heritage Room - room 502 Rockford High School 7600 County Road 50 ROCKFORD MN 55373
School District Total:	\$399.82	\$502.18	
Rockford - ISD 883 6051 Ash Street Rockford MN 554373 763-477-9165	\$983.72	\$1,169.26	
Metro Special Taxing Dist. Metropolitan Council 390 Robert Street North St Paul MN 55101-1805 651-602-1647	\$25.23	\$27.75	Dec 10, 2015 6:00 PM Metropolitan Council 390 Robert Street North St Paul MN 55101-1805
Other Spec. Taxing Dist.: Fiscal Disparity Tax:	\$84.26	\$93.02	No meeting required No meeting required No meeting required
Tax Increment Tax:			
TAX EXCLUDING SPECIAL ASSESSMENTS	\$2,478.38	\$2,890.13	

Learn about property taxes: www.hennepin.us/propertytaxes

THIS IS NOT A BILL — DO NOT PAY

County →

City →

School →

Special Dist. →

Other Dist. →

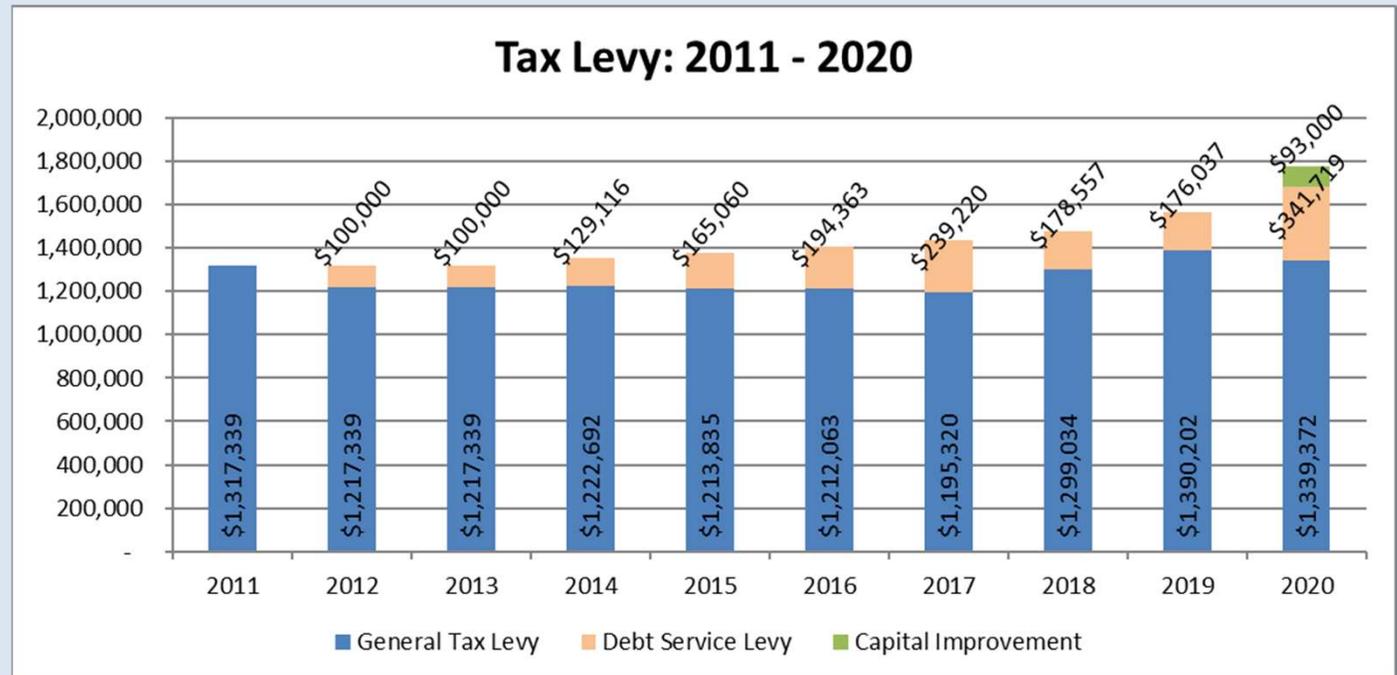


Approximately 21% of your property tax dollars pay for City services.

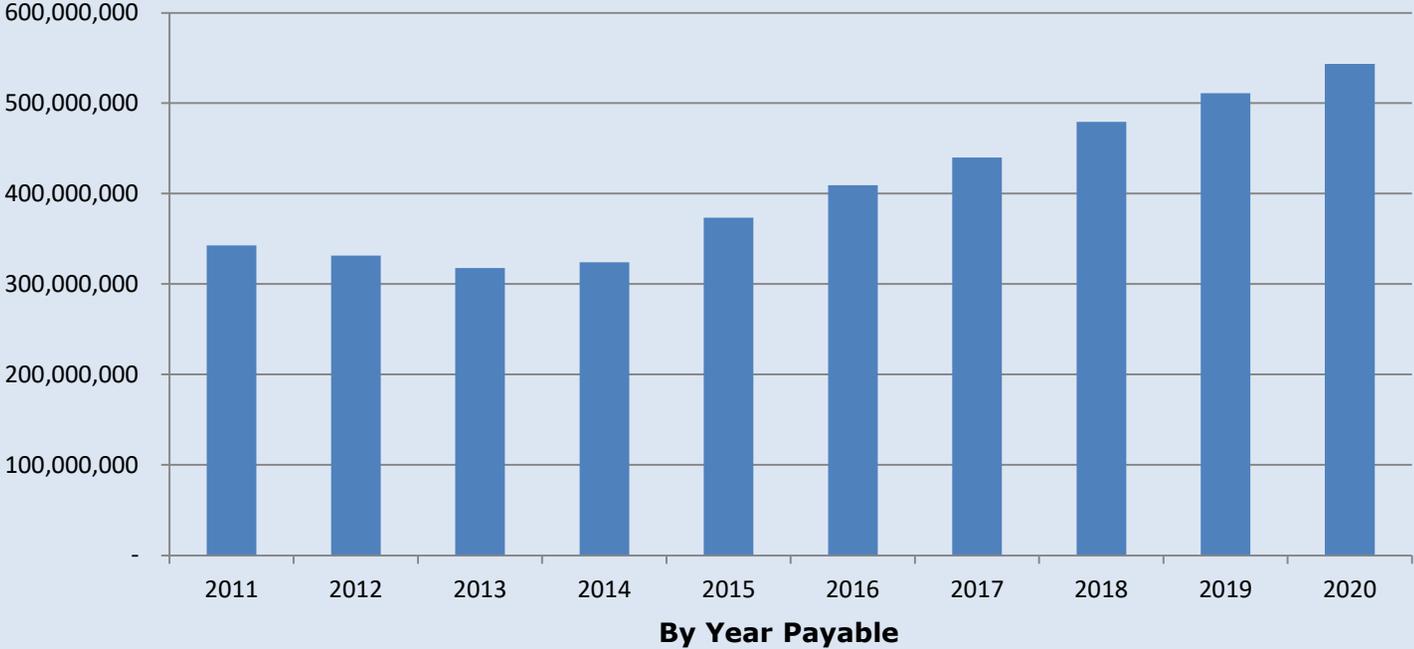


Proposed Levy Increase for 2020

- Total Proposed Levy - \$1,774,091
- \$207,852 more than 2019 levy
- Increase is primarily related to addition of 2019A Debt Service Levy, and a new Capital Improvement Levy offset by a reduction in the General Fund Levy



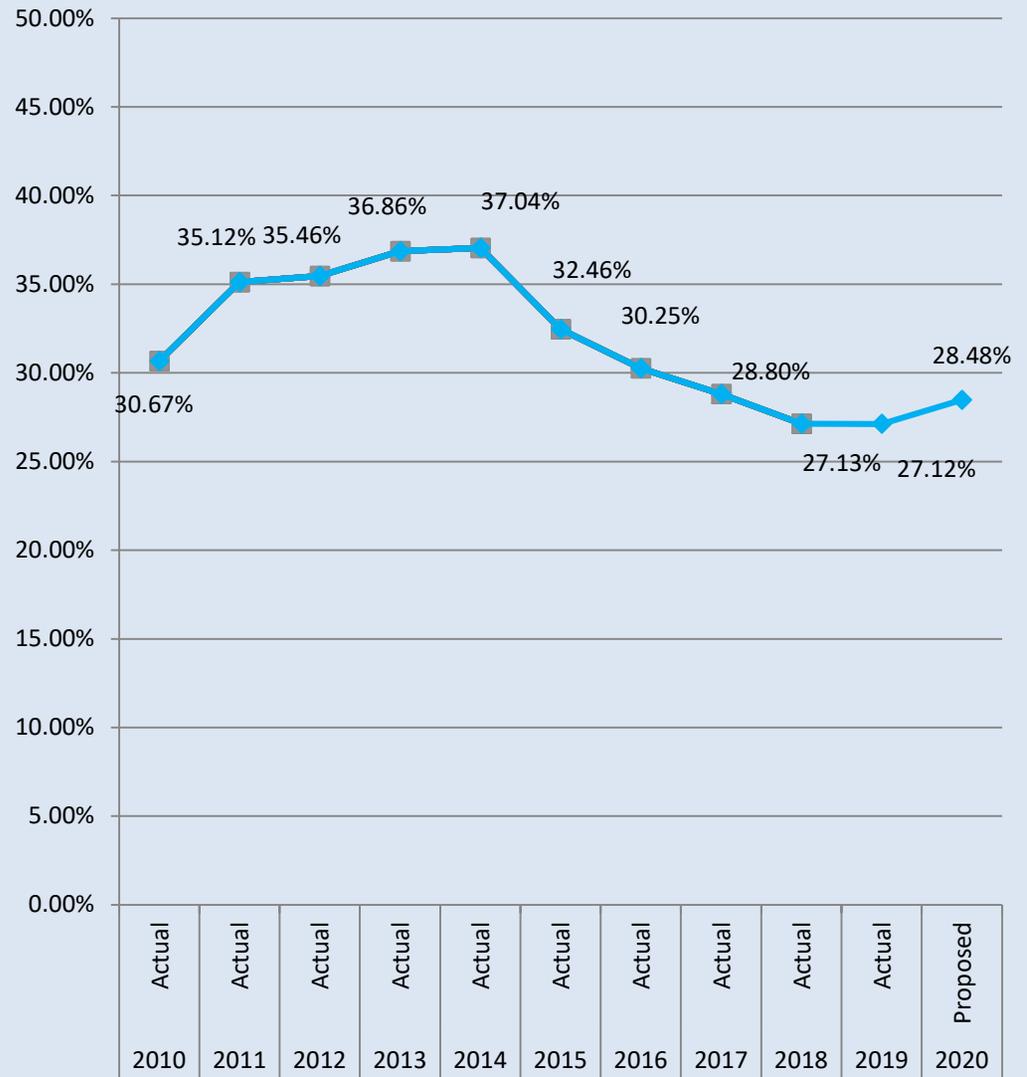
Estimated Market Value Trendline



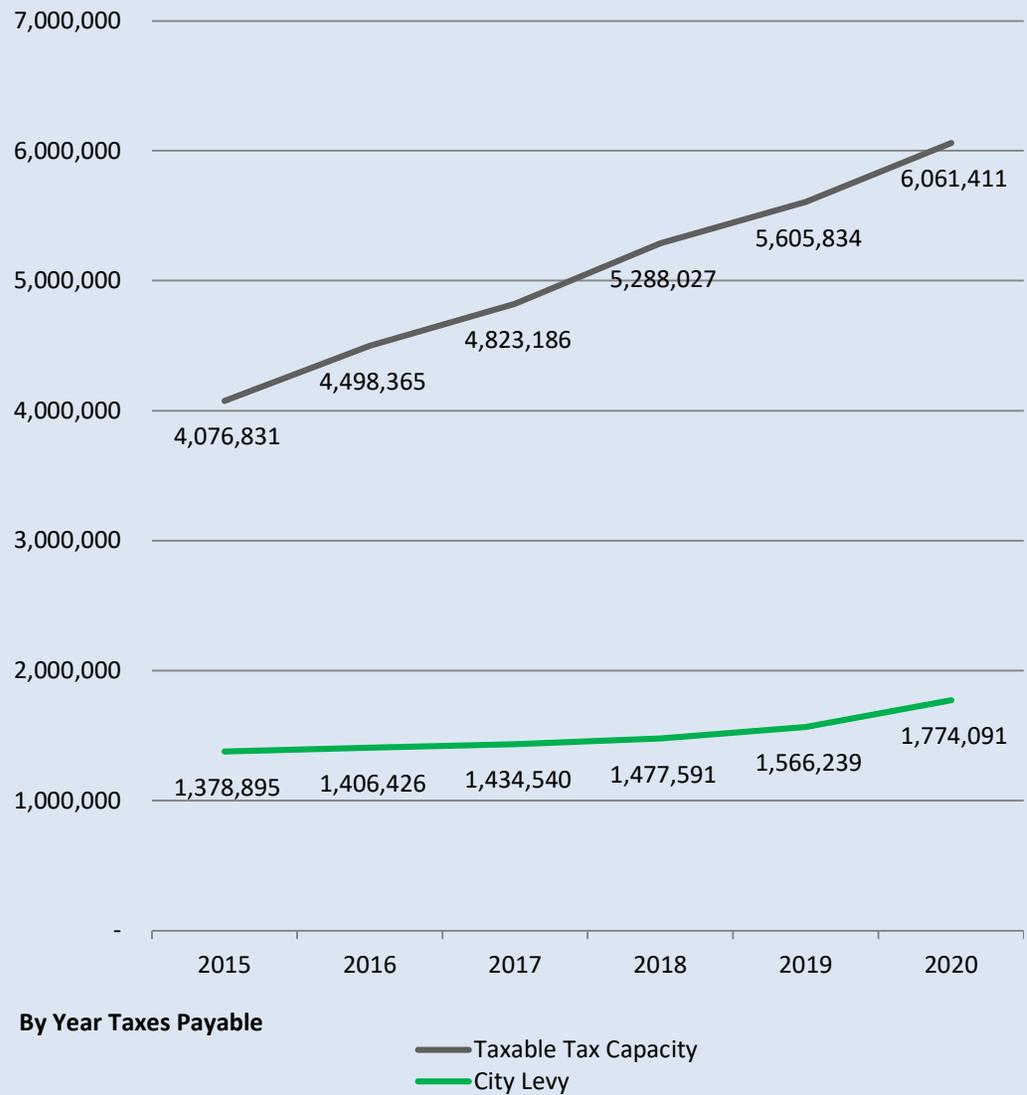
2019 Estimated Market Value – City of Excelsior \$543,304,300
2019 Estimated Market Value Median Single Family Residential - \$490,000

Excelsior Tax Rate

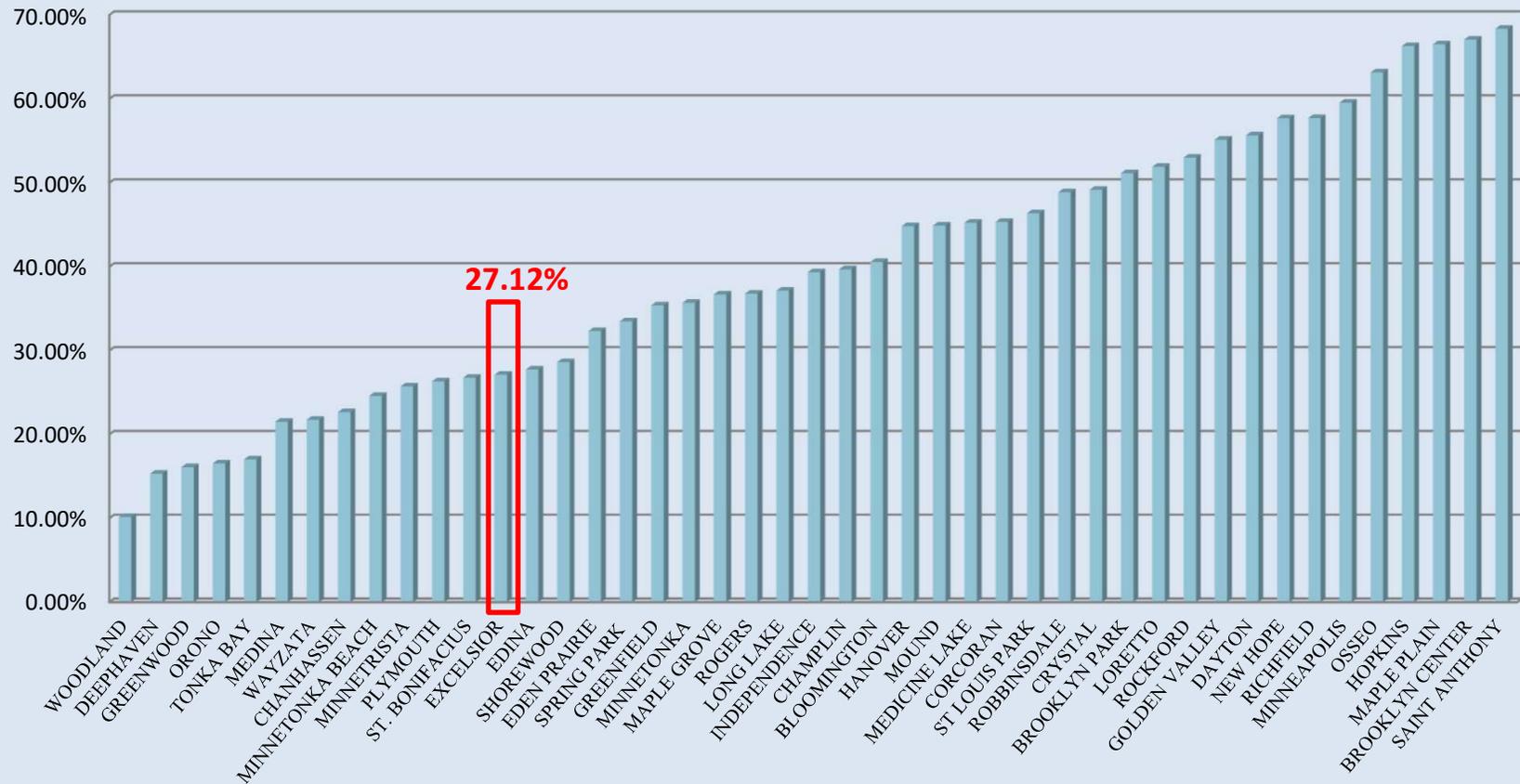
EXCELSIOR TAX RATE



Increase in Tax Capacity to Increase in City Tax Levy



2019 Hennepin County Tax Rates



2020 Proposed – 28.48%

2018 vs. 2019 Levy Pay 2020

Levy \$1,774,091 - 13.27% increase												
Est market value	\$	250,000	\$	375,000	\$	500,000	\$	750,000	\$	1,000,000	\$	1,500,000
homestead exclusion		14,740		3,490		-		-		-		-
taxable market value		235,260		371,510		500,000		750,000		1,000,000		1,500,000
net tax capacity		2,353		3,750		5,000		8,125		11,250		17,500
tax rate		28.48%		28.48%		28.48%		28.48%		28.48%		28.48%
Net tax payable		670		1,068		1,424		2,314		3,204		4,984
Incremental Tax Payable over Prior Year												
13.27% increase		80		128		171		278		384		598



Residential Examples



	Property A	Property B	Property C
Property Value	\$ 250,000	\$ 500,000	\$ 1,000,000
Less: Homestead Mkt Value Exclusion	(14,740.00)	-	-
Taxable Market Value	235,260	500,000	1,000,000
Class Rate	1%	1%	1%
Tax Capacity	\$ 2,353	\$ 5,000	\$ 12,500
City Tax Rate	28.48%	28.48%	28.48%
City of Excelsior - Estimated Taxes	\$ 670.02	\$ 1,424.00	\$ 3,560.00

Commercial Example



	Property A		
Property Value	\$ 1,000,000		
Class Rate	1.5%	Class Rates (1.5 - 2.0%)	
Tax Capacity	\$ 15,000		
City Tax Rate	28.48%		
City of Excelsior - Estimated Taxes	\$ 4,272.00		

- Homestead Market Value Exclusion
 - Values up to \$413,800
- Disabled Veteran Homestead Value Exclusion
- Senior Citizens Property Tax Deferral Program
- Property Tax Refund
- Targeting Property Tax Refund (aka Special Property Tax Refund)
 - Property Tax Increase of over 12% and \$100

Property Tax Relief Programs



The Approved 2020 budget will be available on the City's website.

<http://www.excelsiormn.org>

Hard copies may be obtained at City Hall during regular business hours.

Excelsior City Hall
339 Third Street
Excelsior, MN 55331



2020 Proposed Utility Rate Increases

Utility Rates

(assumes "average" residential water use of 15K gallons/quarter)

Water Rate Increase		\$0.70 per 1K gallons
Annual Change	\$	42.00
Sewer Rate Increase		\$0.97 per 1K gallons
Annual Change	\$	58.20
Surface Water Rate Increase		\$10.50 per account/quarter
Annual Change	\$	42.00
Sum of Annual Utility Rate Increase	\$	142.20
Monthly Impact on "average" residential account	\$	11.85

Next Steps



City Council to accept Public Input



Consideration of Resolutions

Setting the Final 2019 Levy for Payable 2020
Adopting the 2020 Budget

Any
questions or
comments?

- Contact Info:
- Kelly M Horn, Finance Director
- khorn@excelsiormn.org
- (952) 653-3677 (direct)

