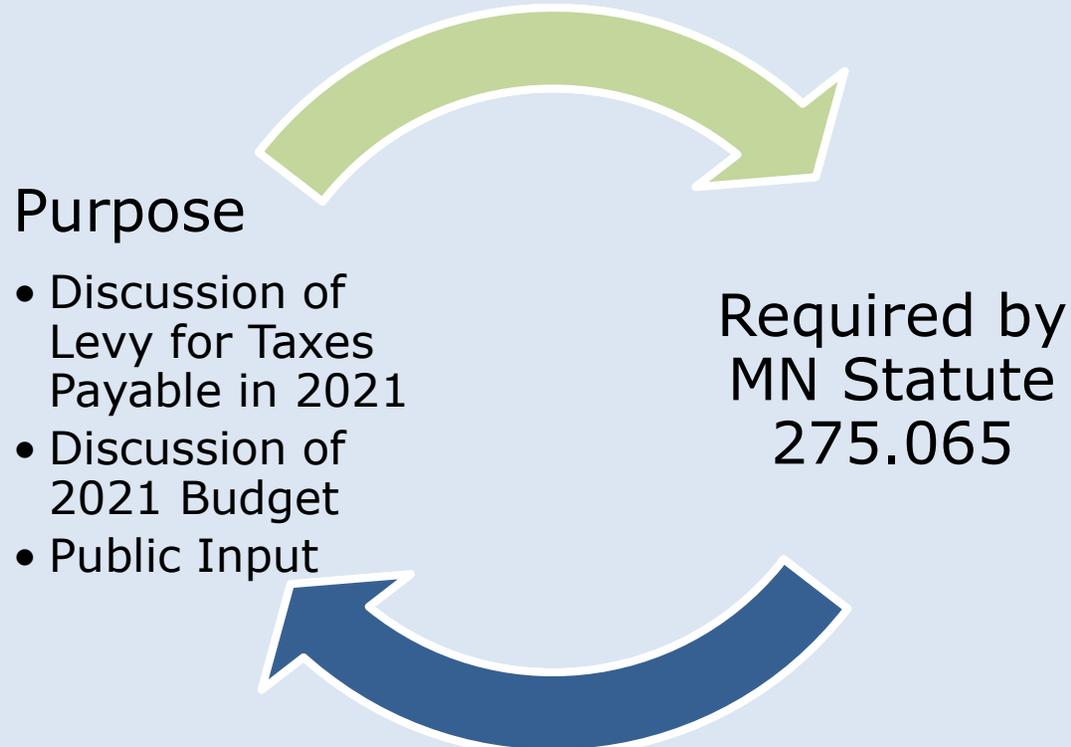




THE CITY OF
EXCELSIOR
MINNESOTA

Truth-in-Taxation
2021 Budget Presentation

December 7, 2020
City Council Meeting



Purpose

- Discussion of Levy for Taxes Payable in 2021
- Discussion of 2021 Budget
- Public Input

Required by
MN Statute
275.065

Truth in Taxation

Budget Process



Council establishes 2021 Budget Goals and Objectives



Staff prepares proposed budgets



Budget Discussions at Council Work Sessions

Began in Summer 2020



Preliminary Tax Levy & Budget

Approved on
September 28, 2020



Continue Budget Review



Final Budget Adoption

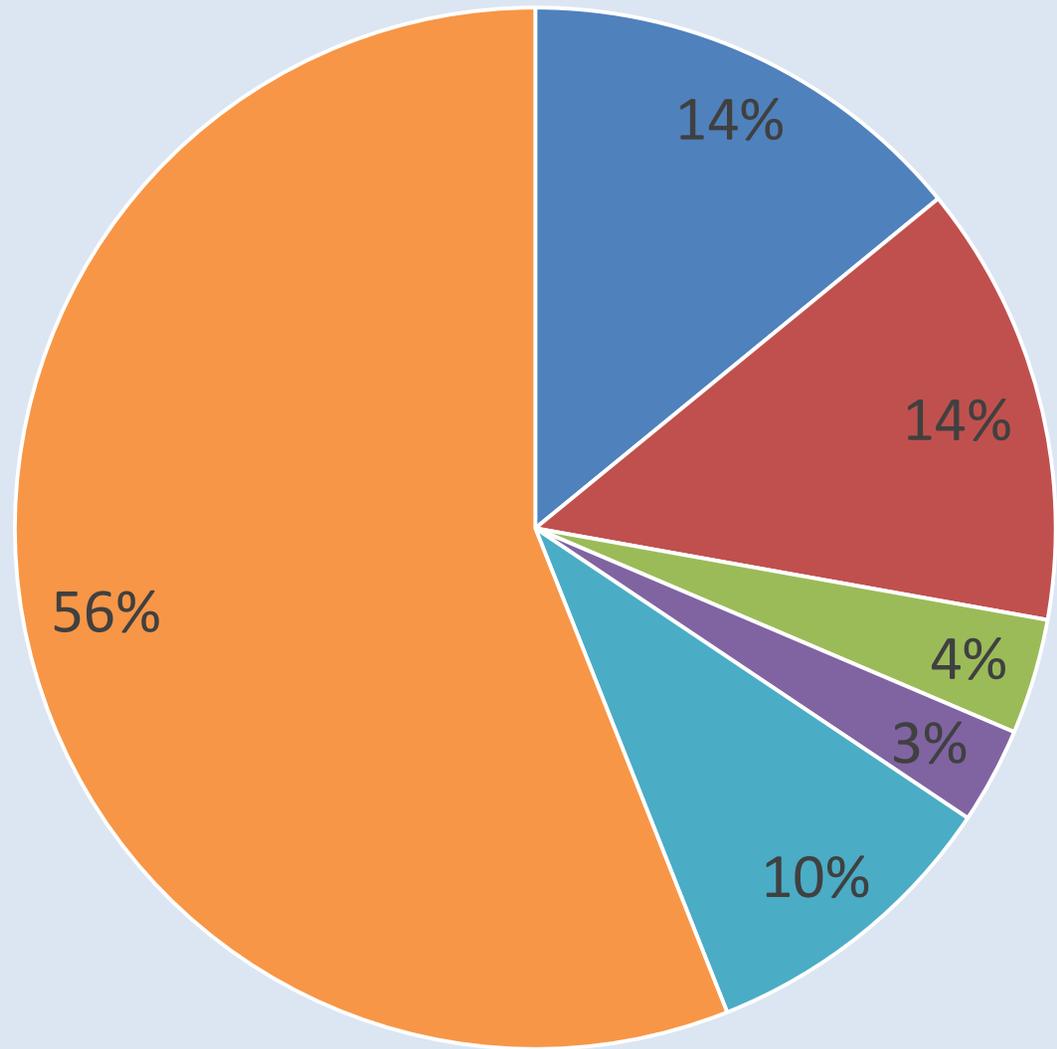
Truth in Taxation
Public Input

Work Session Dates

Recorded Work
Sessions & Minutes are
available on
www.excelsiormn.org

- August 17, 2020
- September 9, 2020
- September 21, 2020
- September 28, 2020
- October 19, 2020
- November 2, 2020
- November 16, 2020
- December 1, 2020
- December 7, 2020

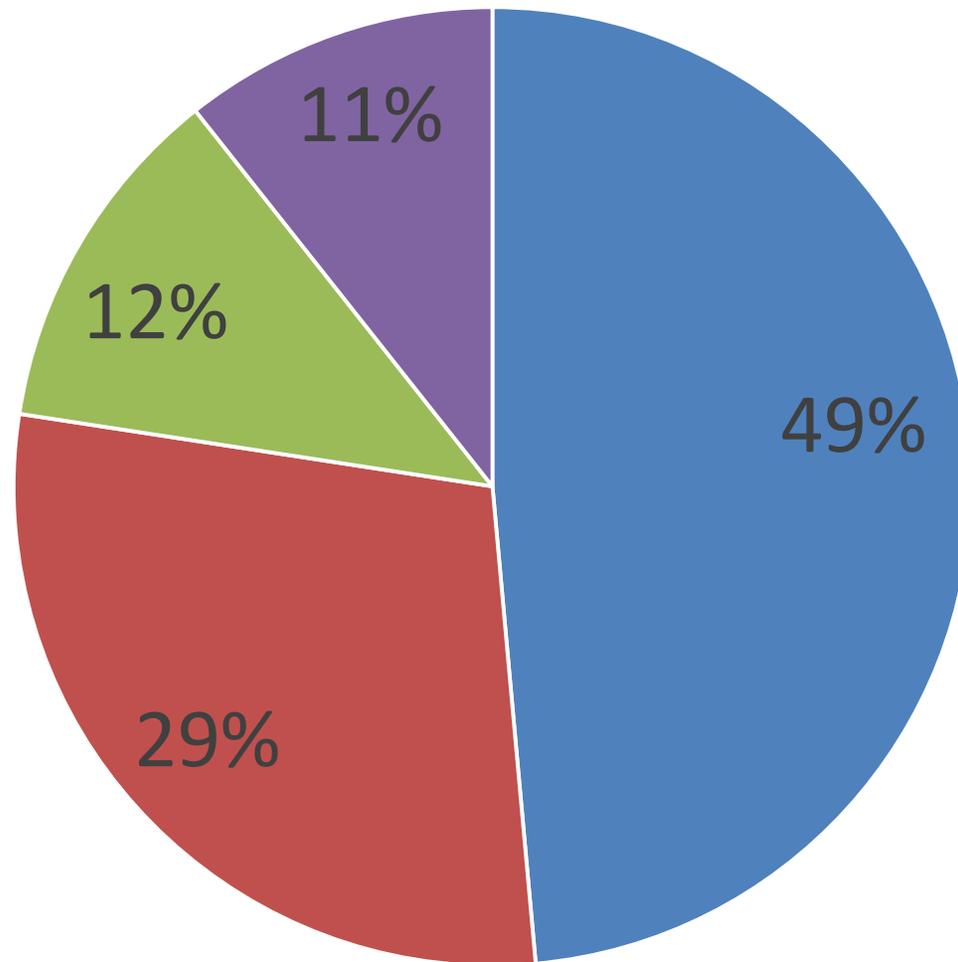
Property Taxes account for 56% of the City's 2021 Budgeted General Fund Revenue.



- Licenses & Permits
- Parking Revenue
- Fines & Forfeits
- Franchise Fees
- Other
- Property Taxes



What Does the City Levy Pay for?



- Public Safety
- General Government
- Public Works
- Culture/Recreation



General Fund Budget Expenditures by Function

Category	Percent of	
	Total	Total (in \$)
Public Safety	49%	\$ 1,150,470
General Government	29%	\$ 683,593
Public Works	12%	\$ 282,380
Culture/Recreation	10%	\$ 252,553
	Total	\$ 2,368,996

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.



General Fund Expenditures

	2020 Budget	2021 Recommended Budget	2021-v- 2020 Budget \$	2021-v- 2020 Budget %
Cemetery Total	24,309	25,350	1,041	4%
City Administration Total	542,722	613,997	71,275	12%
Council Total	22,235	21,230	(1,005)	-5%
Elections Total	10,275	800	(9,475)	-1184%
Fire Total	232,802	250,720	17,918	7%
Heritage Preservation Total	1,300	1,000	(300)	-30%
Interfund Transfers Total	-	-	-	
Parks Total	252,841	227,203	(25,638)	-11%
Planning and Zoning Total	190,202	171,567	(18,635)	-11%
Police Total	794,147	824,750	30,603	4%
Streets Total	213,990	232,380	18,390	8%
Expenditures Total	2,284,823	2,368,996	252,370	4%

What do
your
property tax
dollars pay
for?

Services by Taxing District

City of Excelsior (28%)	Hennepin County (41%)	Minnetonka School District (21%)	Other (10%)
Police	Social Services	K-12 Education	Transportation
Fire	Public Health	Community Education	Regional Sewer Systems
Streets	Road/ Highways		Mosquito Control
Parks	Libraries		Regional Parks
Building Safety	Corrections		Regional Railroads
	Sheriff		Museums
	Environmental Services		Watershed Management
			Public Housing



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 (begun in 2020) and a Debt Service levy to service bonds issued for street improvement projects.
- Hennepin County is responsible for valuations
 - 2020 Assessment Payable 2021
 - Valuation Notices sent in March
 - City holds Open Book Meeting in April
 - Opportunity to contest valuation



Components of City's Levy

		2021 Proposed	Increase/ (Decrease) from 2020 to 2021	% Increase from 2020
<u>General Fund</u>	2020			
General Fund	\$ 1,333,928	\$ 1,396,640	\$ 62,712	4.7%
Capital Levy	\$ 93,000	\$ 93,000	\$ -	0.0%
Total General Fund Revenue	\$ 1,426,928	\$ 1,489,640	\$ 62,712	4.4%
<u>Debt Levy</u>				
Debt Service for 2010A, 2017A, and 2019A Bonds	\$ 347,163	\$ 347,163	\$ -	0.0%
Debt Service for 2021 Proposed Bond	N/A	\$ 171,396	\$ 171,396	
Total Debt Service	\$ 347,163	\$ 518,559	\$ 171,396	49.4%
Total Levy	\$ 1,774,091	\$ 2,008,199	\$ 234,108	13.2%

Hennepin County

A-600 Government Center
300 S. Sixth Street
Minneapolis, MN 55487-0060
612-348-3011 www.hennepin.us

Proposed levies & taxes 2021
2020 values for taxes payable in 2021

?1 John J Doe
123 MAIN ST NW
ANYTOWN MN 12345-6789

THIS IS NOT A BILL — DO NOT PAY

[\(Click here for Taxing Authority Websites\)](#)

?2 Property ID NO: 26-129-2461-0011
123 Main St NW **?3**

Property taxes statement schedule

Step 1

Value & classification

TAX YEAR PAYABLE CLASS:	2020 HOMESTEAD	2021 HOMESTEAD
Estimated Market Value:	\$287,300	\$294,700
Homestead Exclusion:	\$11,347	\$10,717
Other Exclusion/Deferral:	\$0	\$0
Taxable Pkt Value:	\$276,353	\$283,983

?4

Step 2

Proposed levies & taxes

2020 TAX	\$3,627.44
2021 PROPOSED	\$3,736.83
Percent change	3.0%

?5

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 2021, due May 17, 2021 and Oct 15, 2021

[\(Truth in taxation local meeting information\)](#)

Addresses for correspondence Actual 2020 Proposed 2021 Meeting date & location

?6

Hennepin County
A2400 Government Center
Minneapolis MN 55487
612-348-3011

?7

\$1,173.92

?8

\$1,284.18

City of BLOOMINGTON
Bloomington Civic Plaza
1800 West Old Shakopee Road
Bloomington MN 55431
952-563-8790

\$1,093.35

\$1,136.31

STATE GENERAL TAX
School District 271
Voter Approved Levy:
Other Local Levies:

\$693.85
\$419.47

\$711.07
\$430.08

School District Total
Educational Services Center

\$1,113.32

\$1,141.15

?9

Dec 1, 2020 6:00 PM
Meetings may be held virtually
For current meeting details
visit Hennepin.us/TNT

Dec 7, 2020 7:00 PM
Meetings may be held virtually
For current meeting details
visit Hennepin.us/TNT

No meeting required
Dec 10, 2020 7:00 PM
Meetings may be held virtually
For current meeting details
visit Hennepin.us/TNT

?10

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

THIS IS NOT A BILL — DO NOT PAY

County →

City →

School →

Special Dist. →

Other Dist. →



Approximately 28% of your property tax dollars pay for City services.



Estimated Market Value Trendline



2020 Market Value – City of Excelsior \$561,892,280

Excelsior Tax Rate



Increase in Tax Capacity and Increase in City Tax Levy

	2016	2017	2018	2019	2020
City of Excelsior	Actual	Actual	Actual	Actual	Actual
Personal Property	47,883	48,968	66,794	68,406	69,666
Real Estate	5,121,606	5,514,660	6,029,461	6,410,434	7,058,674
Tax Capacity	5,169,489	5,563,628	6,096,255	6,478,840	7,128,340
Less: Fiscal Disparity Contribution	(581,167)	(634,148)	(694,186)	(753,414)	(756,885)
Less: Tax Increment	(89,957)	(106,294)	(114,042)	(122,192)	(312,274)
Taxable Tax Capacity	4,498,365	4,823,186	5,288,027	5,603,234	6,059,181
Increase (Decrease) in Taxable Tax Capacity over Prior Year	10.34%	7.22%	9.64%	5.96%	8.14%
City Levy	1,406,426	1,434,540	1,477,591	1,566,239	1,774,091
City Levy Received from Fiscal Disparities	45,763	45,397	42,845	46,501	47,745
City Levy Paid By Property Owners	1,360,663	1,389,143	1,434,746	1,519,738	1,726,346
Excelsior Tax Rate	30.25%	28.80%	27.13%	27.12%	28.49%

Current Hennepin County Tax Rates



2021 Proposed – 29.46%

Impact of Proposed Levy on Households

Tax Rate Increase of .98% - Levy Increase of 13.2%

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	29.46%	29.46%	29.46%	29.46%	29.46%	29.46%
Net tax payable	693	1,105	1,473	2,394	3,314	5,155
Incremental Tax Payable over Prior Year	\$23	\$37	\$49	\$80	\$110	\$171

Note: Police and Fire contracts account for a portion of the levy increase; this increase alone is approximately \$43 per household per year



Residential Examples



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	29.46%	29.46%	29.46%
City of Excelsior - Estimated Taxes	\$ 693.08	\$ 1,473.00	\$ 3,682.50

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	29.46%	
City of Excelsior - Estimated Taxes	\$ 4,419.00	

- 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 Relief Programs



The approved 2021 budget will be available on the City's website.

www.excelsiormn.org

Hard copies may be obtained at City Hall by emailing the request to mpotter@excelsiormn.org.

Excelsior City Hall
339 Third Street
Excelsior, MN 55331



2021 Proposed Utility Rate Increases

Fund	Rate Increase %	Rate Increase \$ (per 1000K gallons)	Average Quarterly Increase per Household
Water	13%	\$0.79	\$11.87
Sewer	12%	\$0.76	\$11.43
Surface Water	20%	N/A	\$8.10

***Average annual increase per household is \$125.60
\$10.47 per month***

Next Steps



City Council to accept Public Input



Consideration of Resolutions

Setting the Final Levy
Adopting the 2021 Budget

Any
questions or
comments?

Contact Info:

Marian Potter, Finance Officer

mpotter@excelsiormn.org

(952) 653-3677 (direct)

