
TRUTH AND TAXATION MEETING

— The purpose of this meeting is to —
present the City's Proposed 2019 Budget and to receive
public input and comments

What Goes on Behind the Scenes ...

- * Put together 45 Committee/Council meeting packets
- * Wrote and followed-up on 19 nuisance concerns
- * Typed 14 Council meeting/workshop minutes
- * Typed 31 Committee minutes
- * Since January, 167 work order/resident requests
- * Approximately 22,302 water/sewer bills were printed, ripped & mailed.
- * 311 residents have opted to go paperless with their water bills. This saves us approximately \$105/month and \$1306/year on postage
- * Maintained 20 miles of roadway of City streets.

What Goes on Behind the Scenes

Continued...

- * Through November 23rd, 1,285 checks have been issued.
- * Through November 23rd, 985 receipts have been entered.
- * Processed 185 Assessment Searches
- * Issued 290 building permits
- * Maintained over 36 inches of snow
- * Reviewed and issued 108 ROW permits
- * PW used 190 tons of asphalt to fill potholes. That is approximately 13,326 five gallon buckets which is about 40,014 shovels of asphalt.

CITY BUDGET

2019

Budget Impacts from Year to Year

Factors that can Influence the Budget

- Inflation
 - State Mandates – GASB laws/Audit (actuary)
 - Council Initiatives
 - Citizen Influence
 - State Law Changes:
 - Homestead Exclusion
 - Property Tax Formulas
 - Federal Law Changes
 - Business Incentives (tax abatement/TIF)
 - Infrastructure needs
 - Public Safety Contracts
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Budget Impacts from Year to Year

Factors that can Influence the Budget

- City operations are funded by tax dollars and the property tax system is determined by the State Legislature.
 - Enterprise operations (water/sewer) 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)
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Factors That Make-up Your Property Taxes

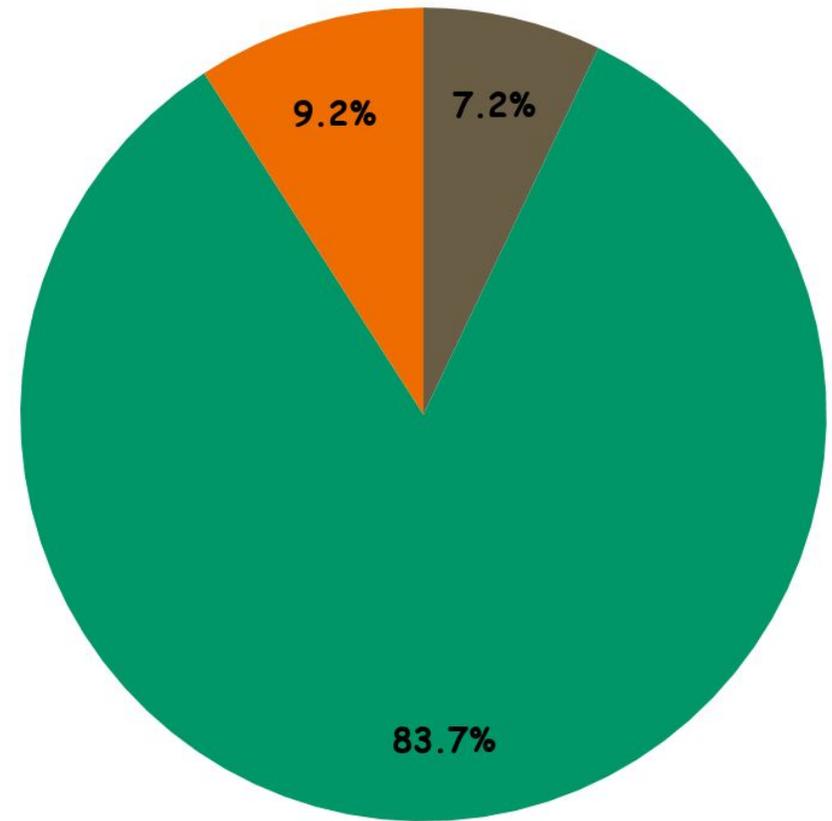


- 1) State Formulas based on type of property
- 2) Assessed Market Value
(Olmsted Co Assessor's Office)
- 3) School Levy
- 4) City Levy
- 5) County Levy
- 6) State Tax
(commercial/industry)
- 7) School Referendum

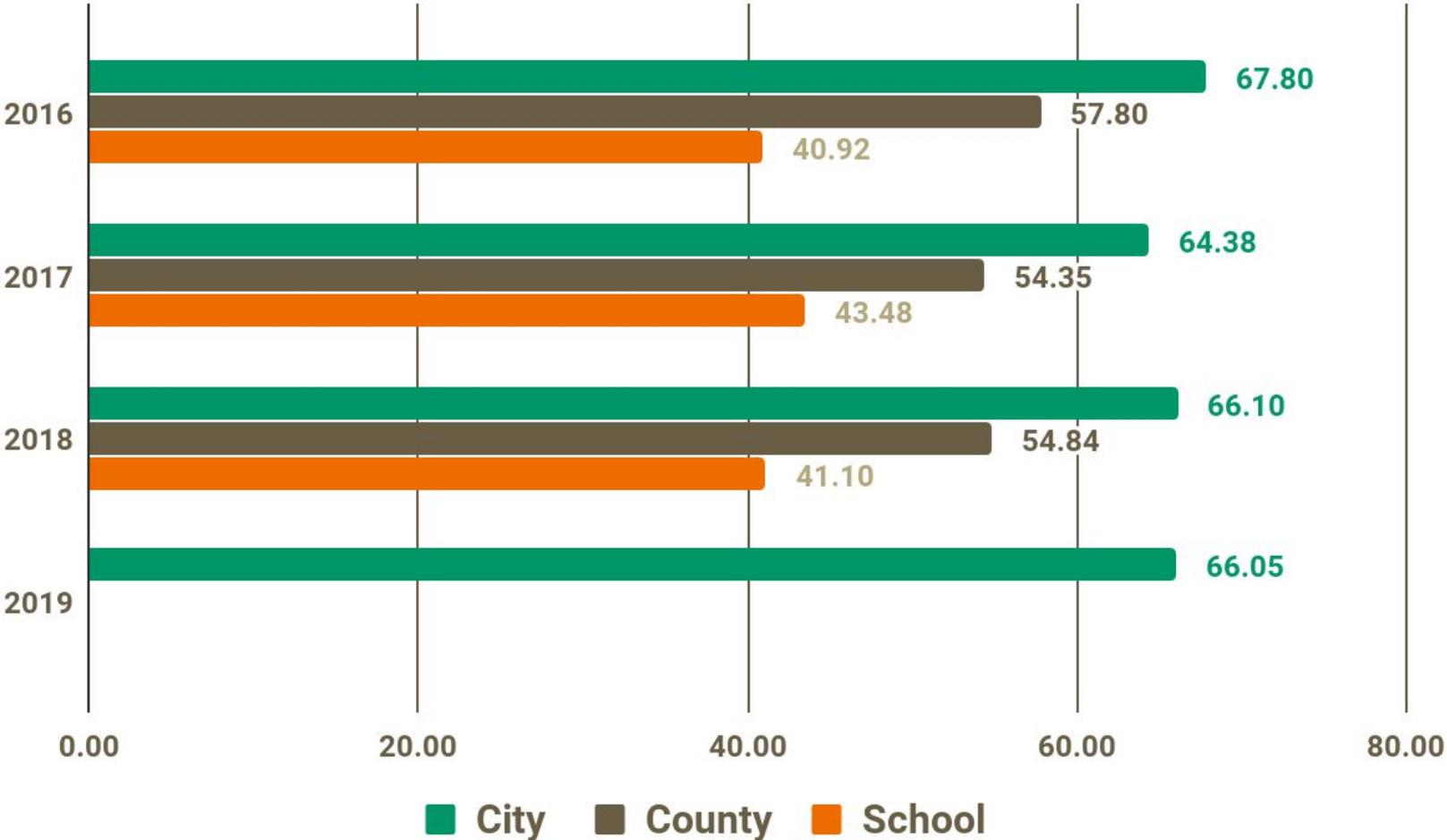
Total 2019 General Government = \$4,366,455

Revenues Sources

- 1. Intergovernmental** 7.15%
\$312,239
*LGA Aid, MSA,
- 2. Property Taxes** 83.69%
\$3,654,452
*Certified Levy
- 3. Other Revenues** 9.15%
\$399,764
*Rents, Fees, Licenses, Permits,
Fines, Interest



TAX RATE ALLOCATION



2019 CITY CERTIFIED LEVY

Certified Debt and Operating Levy
\$3,673,952

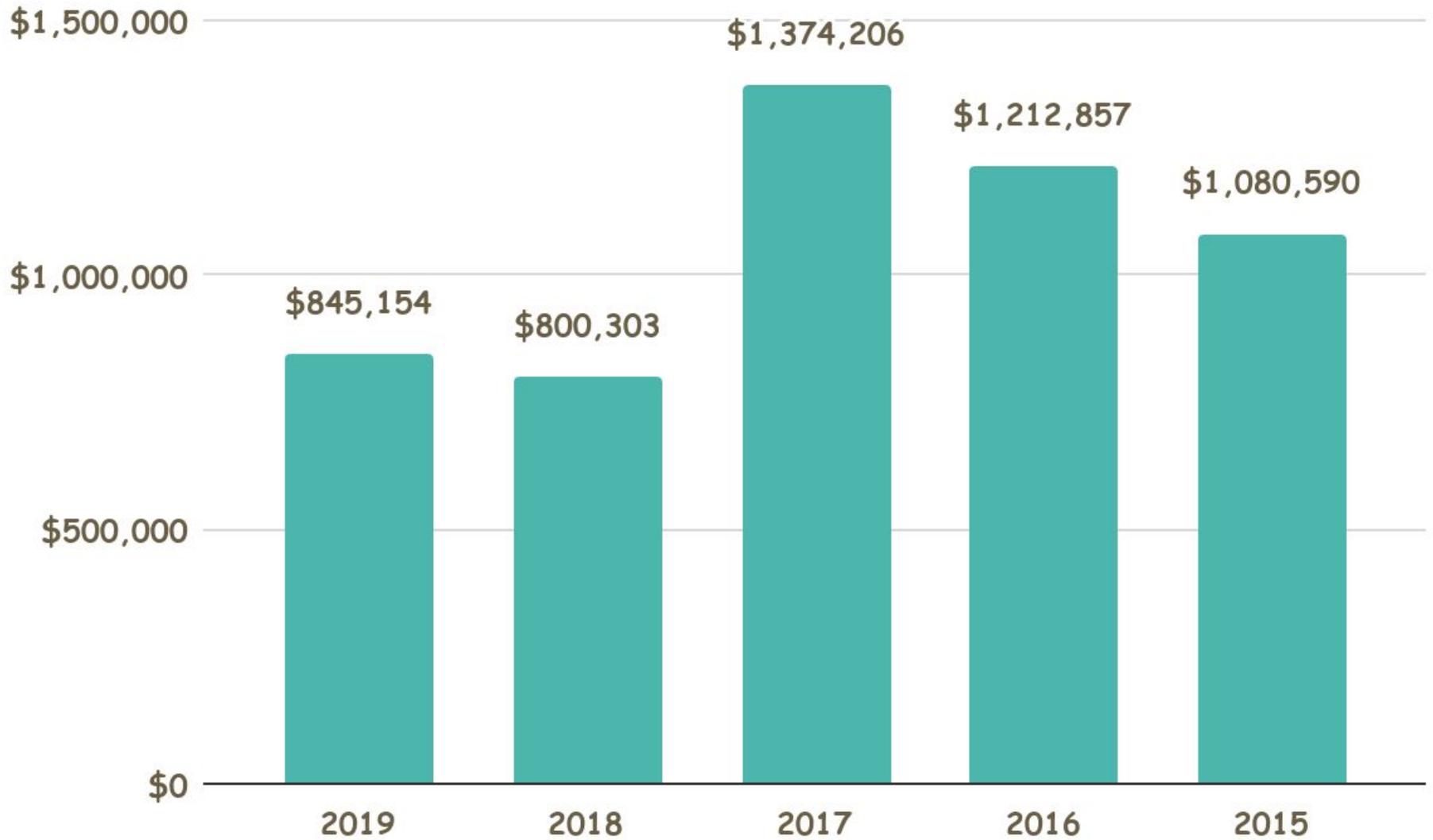
Levy Increase of \$284,249 from 2018

Cost per RESIDENT per Year

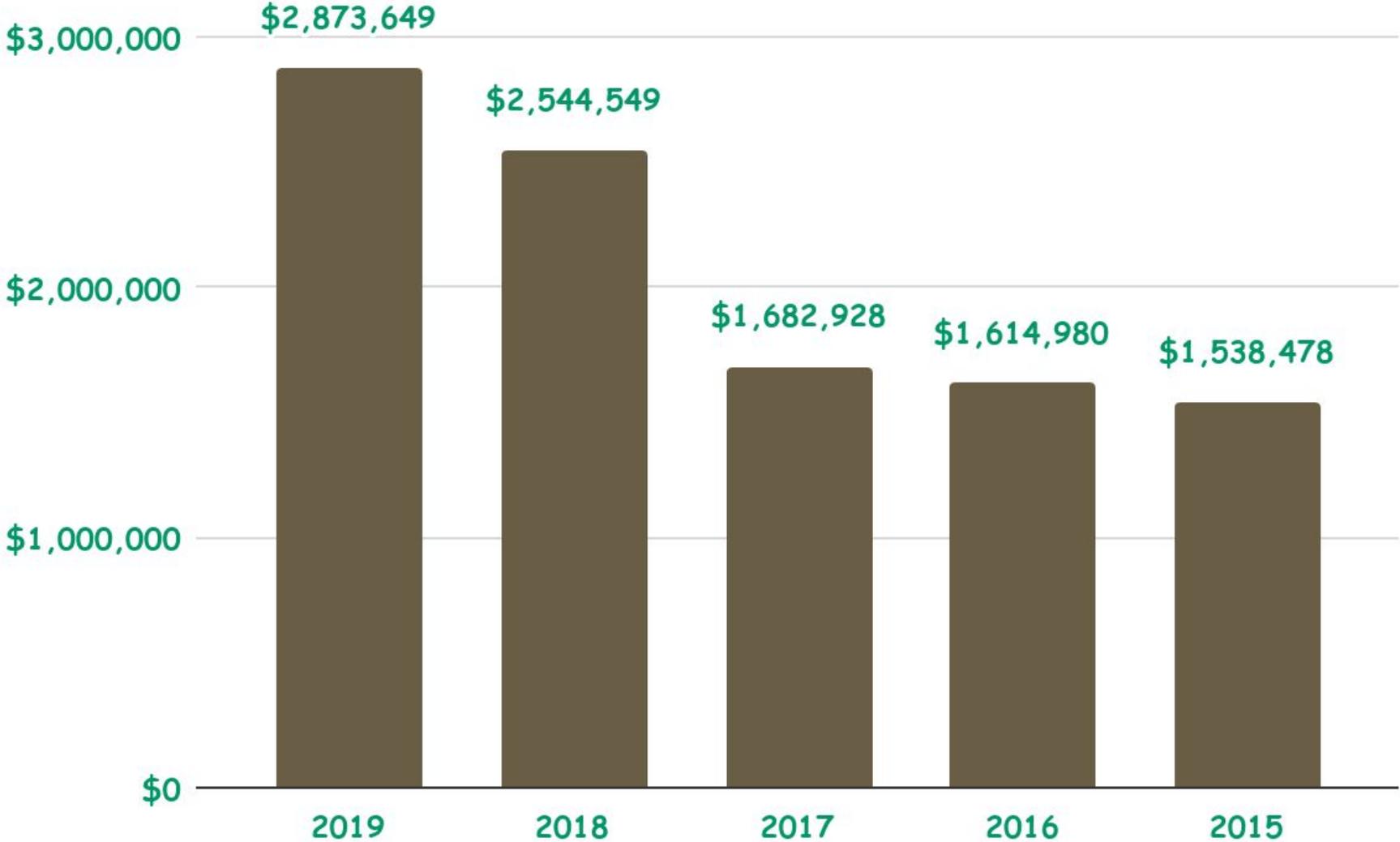


	<u>2019</u>	<u>2018</u>
Law Enforcement	\$67.18	\$62.06
Parks/Pool (exl debt)	\$70.73	\$84.66
Snow Removal	\$17.63	\$17.14
First Responders - w/Townships	\$8.49	\$4.44
Fire Protection - w/Townships	\$40.13	\$29.86
Street Lights	\$20.38	\$20.00

DEBT LEVY BY YEAR



OPERATING LEVY BY YEAR



EXAMPLE OF PROPERTY TAX COMPARISON

2018 to 2019



	2019	2018	Change
Assessed Value	\$ 174,000	\$ 174,000	
State Tax	\$ 504.39	\$ 539.54	\$ (35.15)
City Levy	\$ 1,806.74	\$ 1,804.42	\$ 2.32
County Levy	\$ 1,457.14	\$ 1,496.32	\$ (39.18)
School Levy	\$ 458.78	\$ 452.32	\$ 6.46
School Referendum	\$ 893.98	\$ 961.02	\$ (67.04)
Special Tax District – Co HRA	\$ 35.06	\$ 26.38	\$ 8.68
TOTAL TAX	\$ 5,156.09	\$ 5,280	\$ (123.91)

TAX RATE COMPARISON

Certified Levy Divided by Assessed market Value

Population	City	Proposed	2018
6,269	Stewartville	66.02	65.65
5,644	Byron	66.05	66.10
6,414	Kasson	77.84	78.7
3,395	Pine Island	81.37	78.66
2,858	Chatfield	112.02	95.96

LOCAL GOVERNMENT AID PER CAPITA

Population	City	Annual LGA	Per Capita
5,644	Byron	\$310,679	\$56.51
115,733	Rochester	\$7,509,021	\$64.88
6,269	Stewartville	\$952,588	\$151.95
6,414	Kasson	\$1,080,311	\$168.43
3,395	Pine Island	\$613,835	\$180.80

LEVY DATA PER CAPITA

Population	City	City Levy Payable 2019	Per Capita
6,269	Stewartville	\$3,028,105	\$483.03
6,298	Kasson	\$3,141,316	\$489.76
5,644	Byron	\$3,654,452	\$647.50
3,395	Pine Island	\$2,472,969	\$732.74

WHY SHOP LOCAL...

shopping in Rochester supports
Byron more than Amazon

TAX CLASSIFICATIONS

RESIDENTIAL

- ❖ Homes < \$500,000 has a class rate of 1
- ❖ Homes > \$500,000 goes to a class rate of 1.25

➤ Market value of home: \$600,000

$$500,000 \times 1 = 500,000; \quad 100,000 \times 1.25 = 125,000$$

$$500,000 + 125,000 = \$625,000$$

$$\times \underline{0.006609 \text{ (tax rate)}}$$

$$\text{Total Tax} \quad \$4,130.63$$

TAX CLASSIFICATIONS

COMMERCIAL / INDUSTRIAL

- ❖ Commercial / Industrial < \$150,000 has a class rate of 1.50
 - ❖ Commercial / Industrial > \$150,00 goes to a class rate of 2
- Market value of commercial building: \$600,000
- (RECEIVE A \$100,000 EXCLUSION)

$$150,000 \times 1.50 = 225,000; \quad 350,000 \times 2 = 700,000$$

$$700,000 + 225,000 = 925,000$$

$$\times 0.006609 \text{ (tax rate)}$$

$$\text{Total Tax} \quad \$6,113.33$$

QUESTIONS???

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**THANK YOU FOR
— COMING! —**
