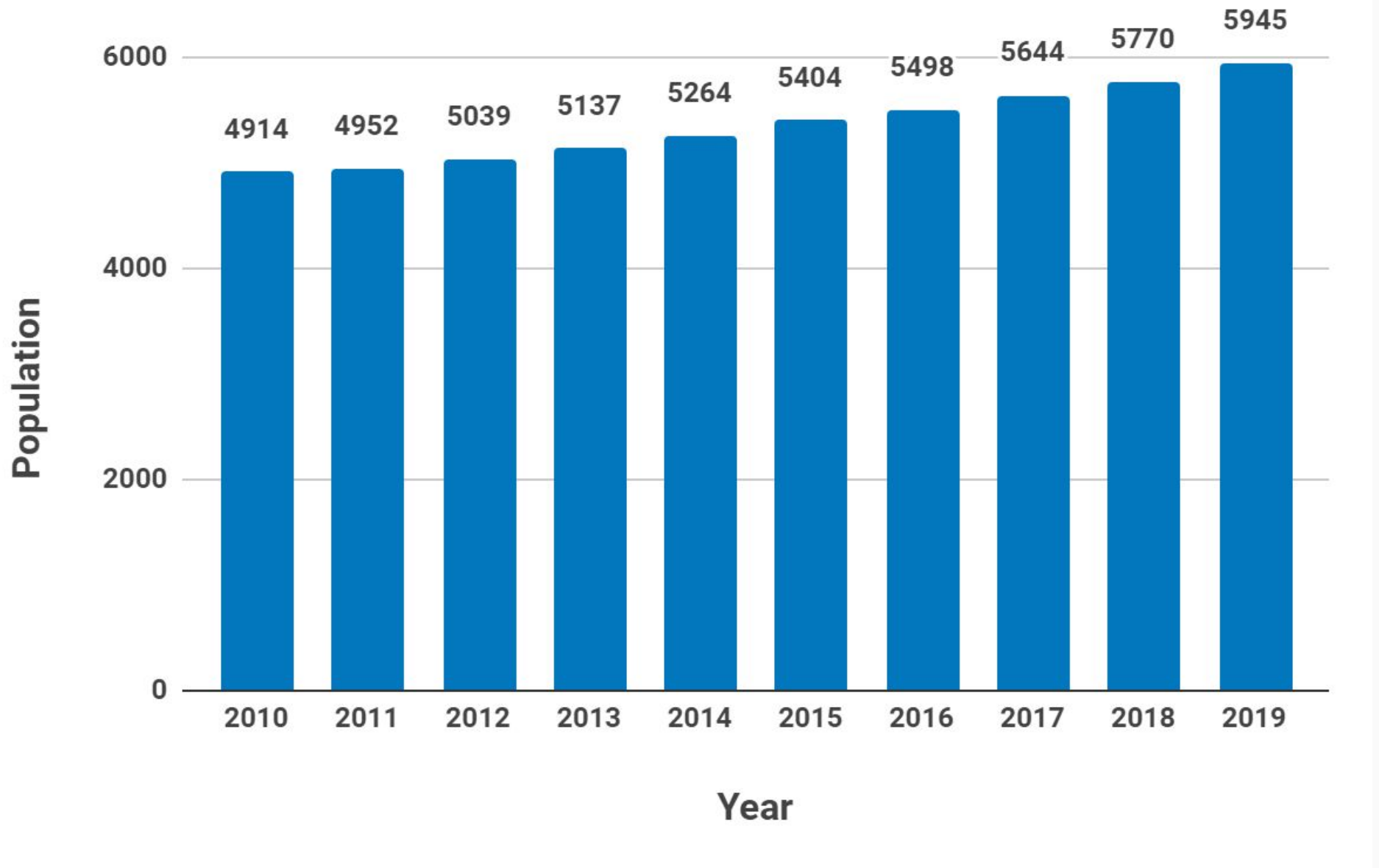


# Truth In Taxation Meeting

The purpose of this meeting is to present the City's Proposed 2021 Budget and to receive public input and comments

# BYRON POPULATION GROWTH



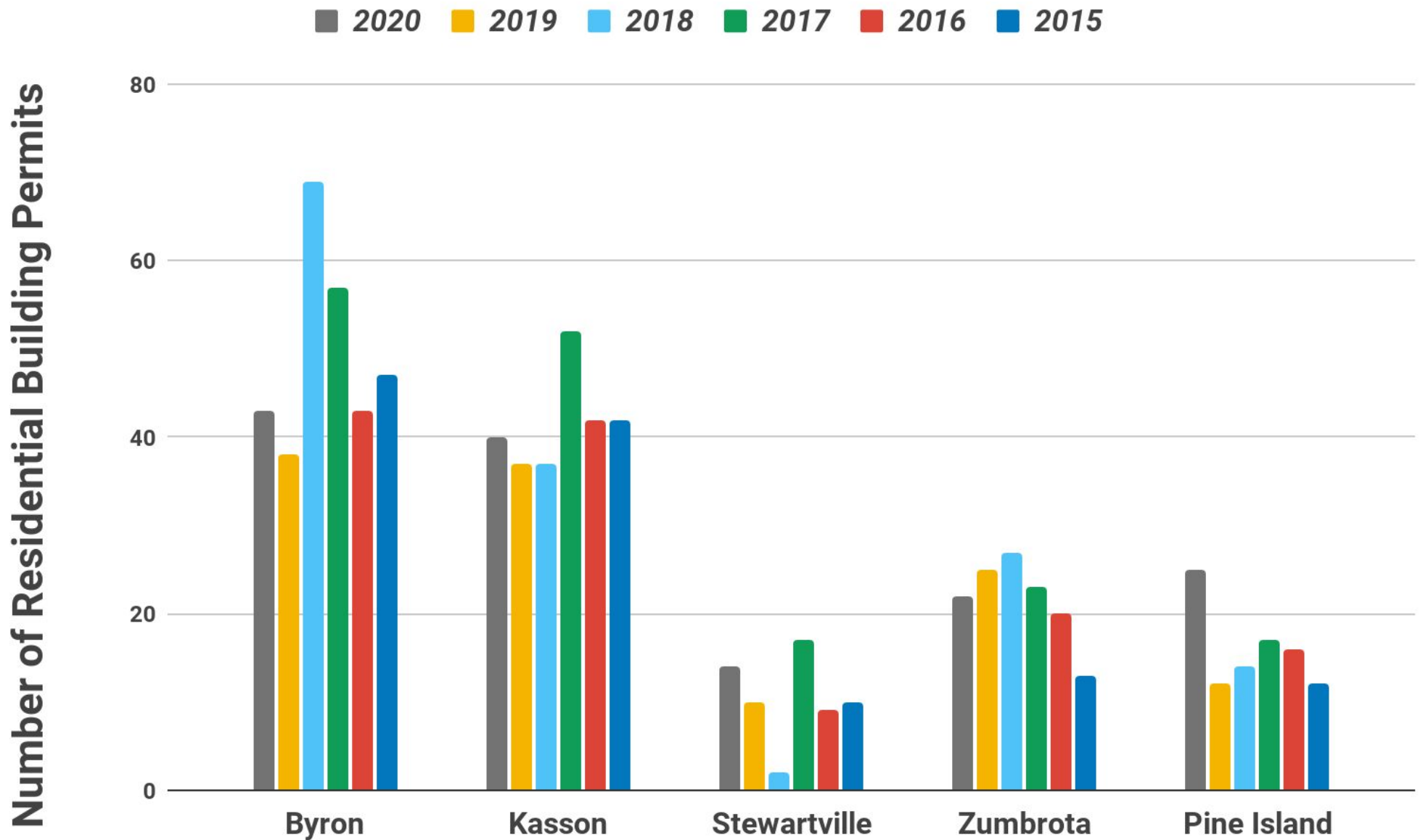
# NEW RESIDENTIAL PERMIT BUILDING VALUES

<b>2015</b>	<b>\$ 14,769,180</b>
<b>2016</b>	<b>\$ 11,958,054</b>
<b>2017</b>	<b>\$ 14,899,897</b>
<b>2018</b>	<b>\$ 15,890,898</b>
<b>2019</b>	<b>\$ 12,064,200</b>
<b>2020 YTD</b>	<b>\$ 17,818,660</b>

# HOME PERMIT & LOTS

- 105 single-family lots
- 30 duplex/triplex/multi family lots
- New home permit history:
  - 2015 - 47
  - 2016 - 42
  - 2017 - 57
  - 2018 - 69
  - 2019 - 41
  - 2020 - 43 (YTD)

# HOW BYRON COMPARES . . .



# 2021 CITY CERTIFIED LEVY

**Certified Debt and  
Operating Levy  
\$4,536,063**

**Levy Increase of  
\$334,652 from 2020**

# 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)

# Budget Impacts from Year to Year

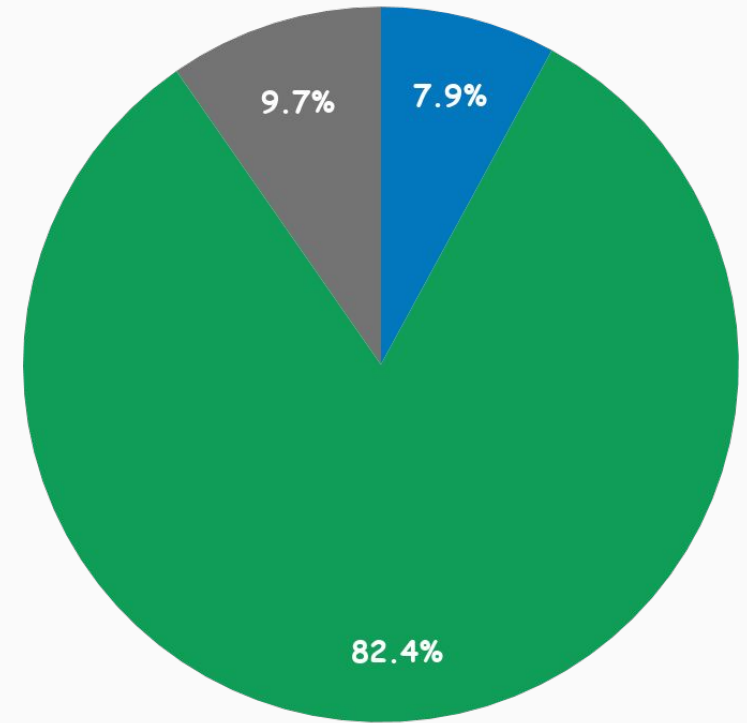
## Factors that can Influence the Budget

- 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

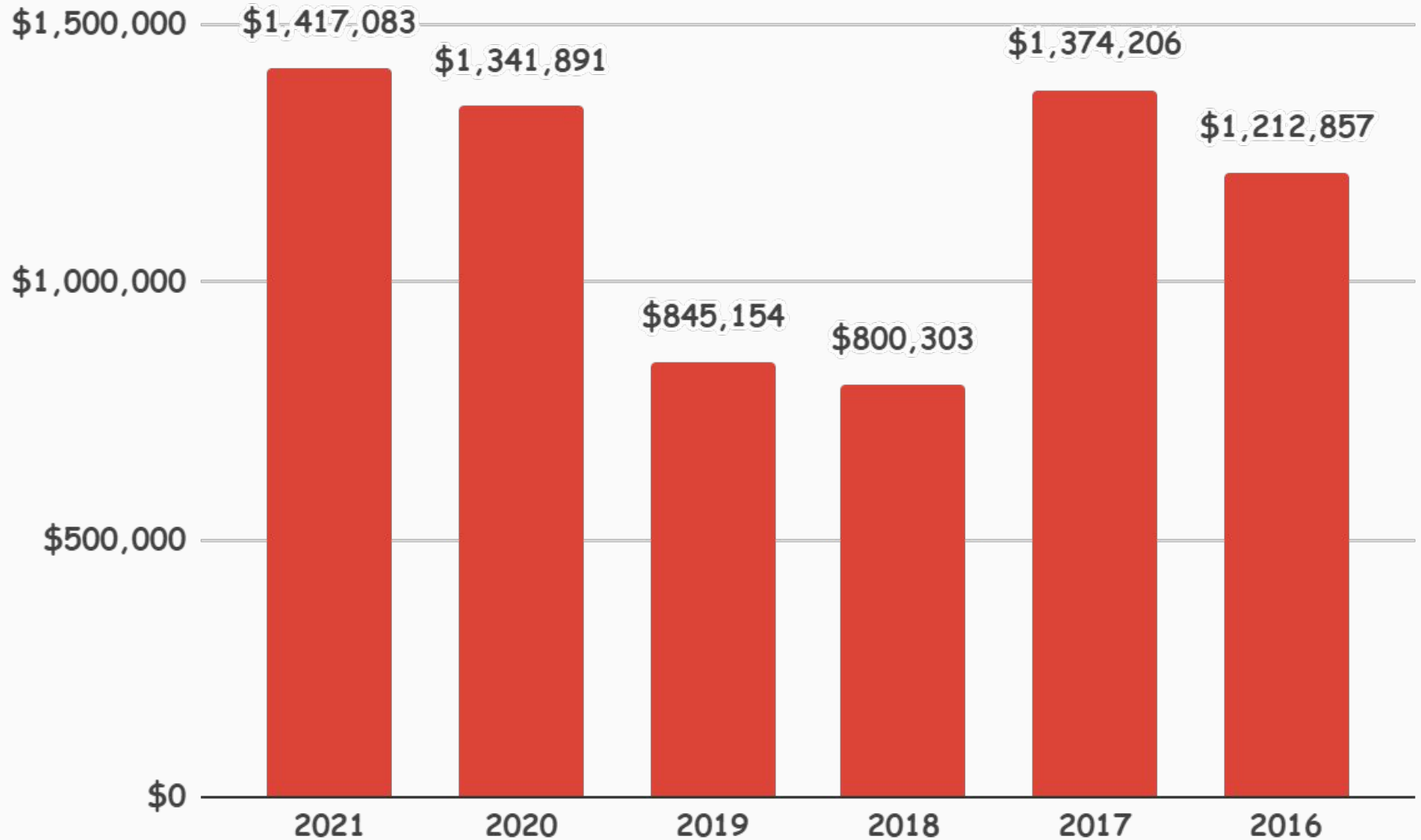


# REVENUES SOURCES

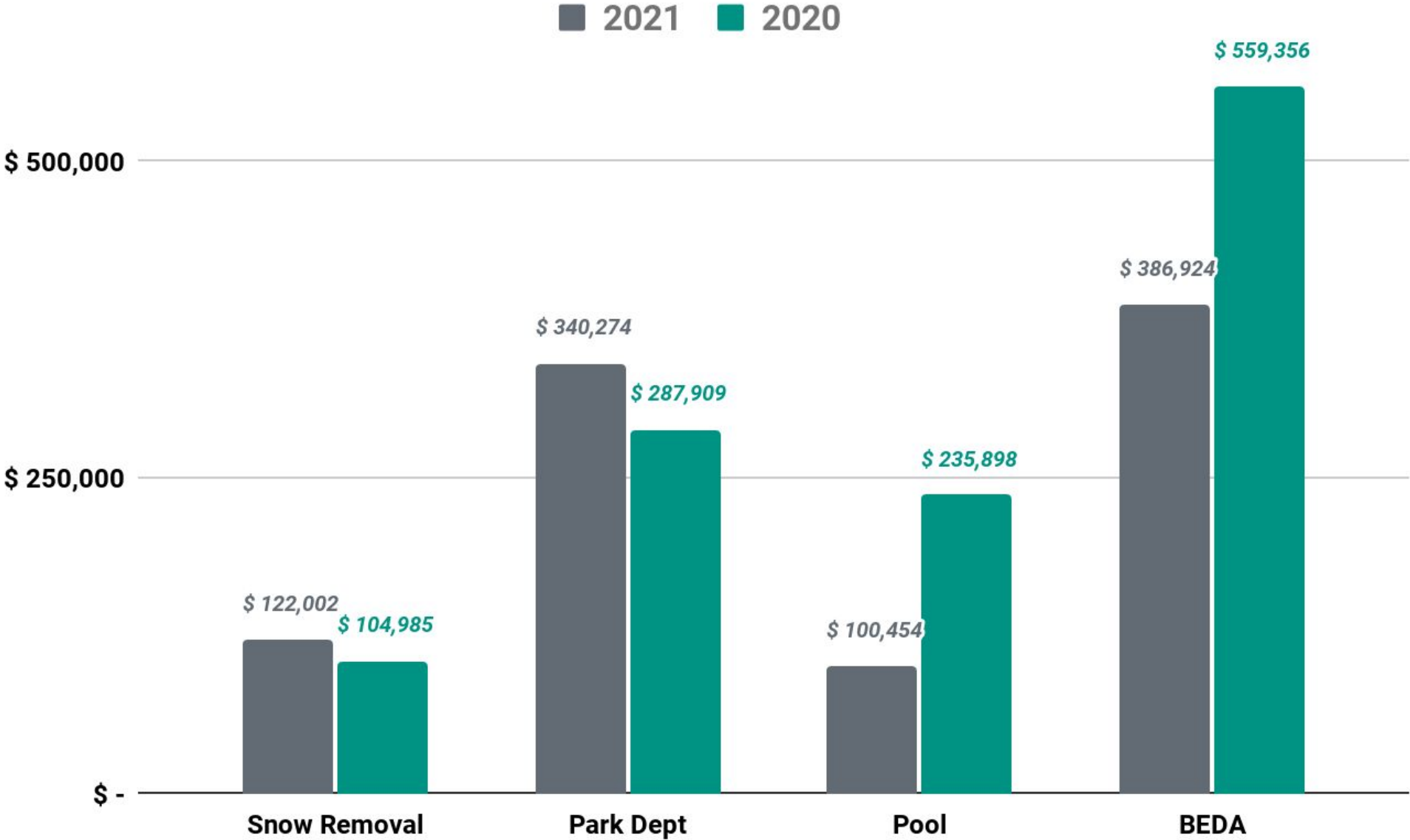
- 1. Intergovernmental** **\$426,912**
  - LGA Aid, MSA
- 2. Property Taxes** **\$4,536,063**
  - Certified Levy
- 3. Other Revenues** **\$521,345**
  - Fees, Licenses, Permits, EMS Contract, Interest



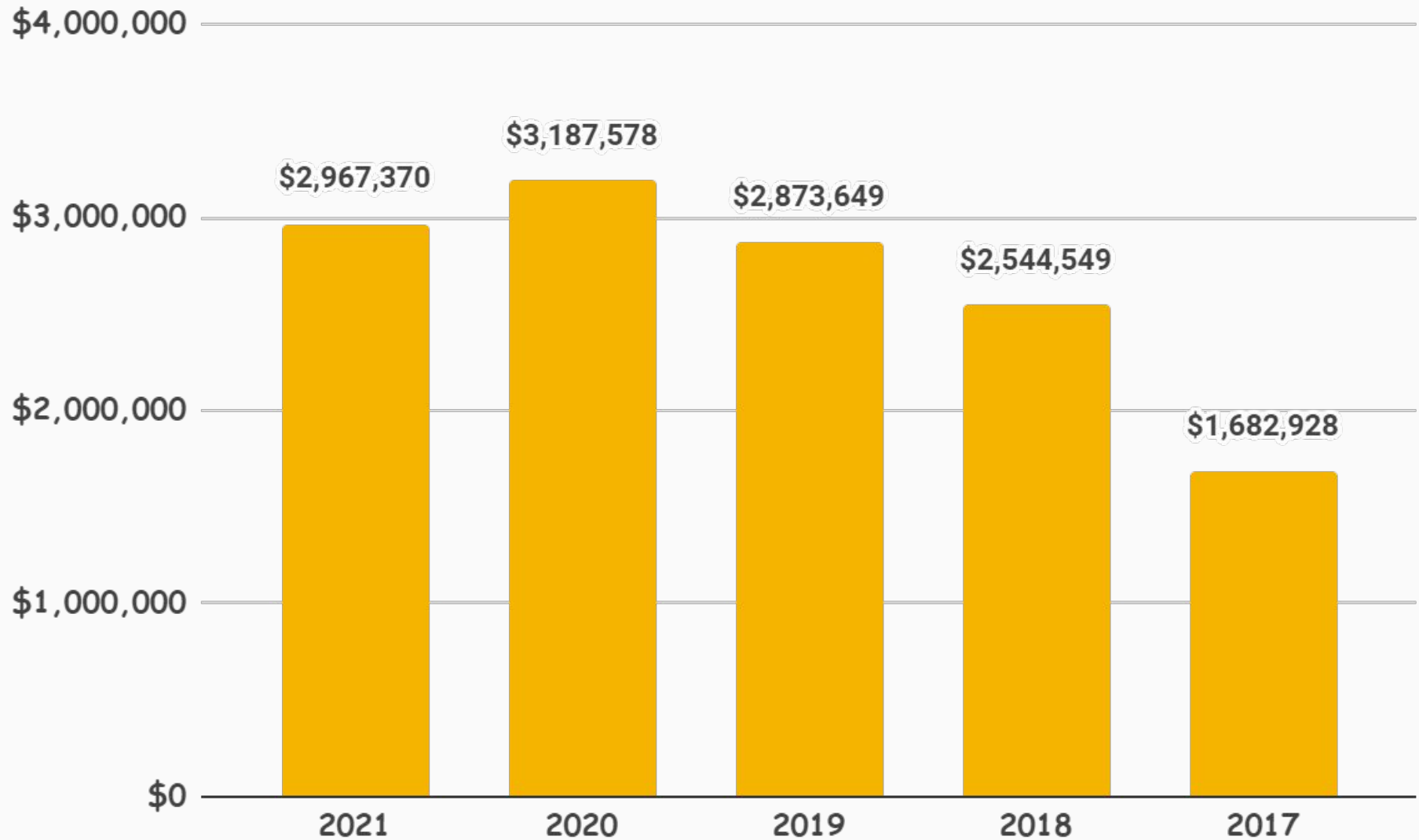
# DEBT LEVY BY YEAR



# 2021 BUDGET INCREASES



# OPERATING LEVY BY YEAR



# Cost per RESIDENT per Year



	<u>2020</u>	<u>2021</u>
Law Enforcement	\$60.34	\$59.79
Parks/Pool (exl debt)	\$82.71	\$74.14
Snow Removal	\$26.84	\$25.24
First Responders - w/Townships	\$ 6.34	\$ 6.82
Fire Protection - w/Townships	\$31.59	\$30.57
Street Lights	\$19.93	\$21.71

# 2020 TAX DOLLAR

56 cents goes to the county,  
school and other taxing districts

44 cents goes  
to the City



City's \$0.44 share is as follows  
for the items listed:

---

\$ .13 - Law Enforcement

\$ .02 - First Responders

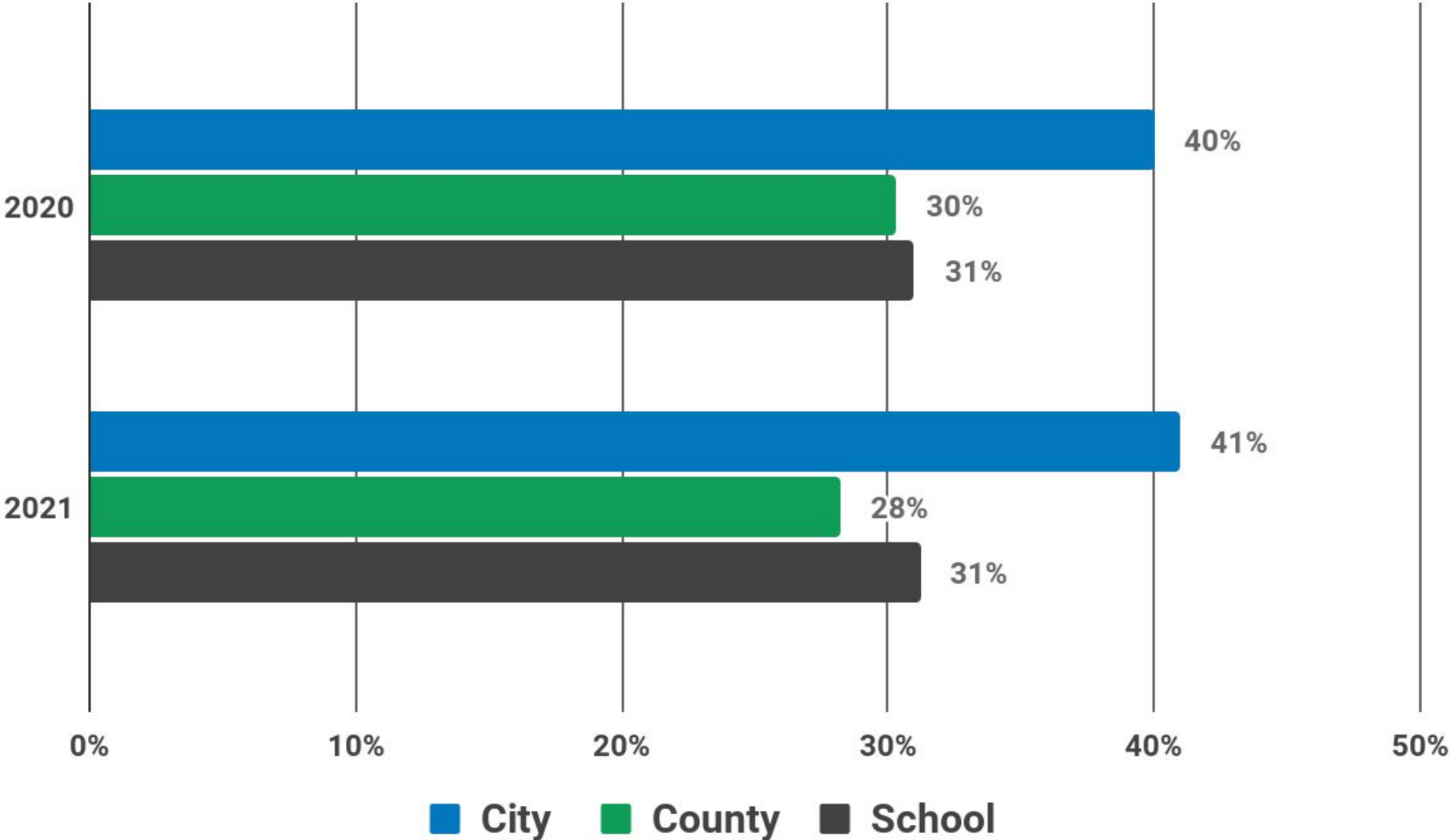
\$ .07 - Fire Protection

\$ .05 - Street Lights

\$ .15 - Parks / Pool

\$ .06 - Snow Removal

# TAX ALLOCATION



# 2021 LOCAL GOVERNMENT AID PER CAPITA

Population	City	2021 LGA	Per Capita
<b>5,945</b>	<b>Byron</b>	<b>\$379,512</b>	<b>\$63.84</b>
119,969	Rochester	\$6,372,634	\$53.20
6,284	Stewartville	\$1,056,747	\$168.16
6,549	Kasson	\$1,211,160	\$184.94
3,499	Pine Island	\$657,247	\$187.84
2,915	Chatfield	\$840,269	\$288.26



# TAX RATE COMPARISON

Certified Levy Divided by Assessed Market Value

Population	City	Proposed	2020
6,284	Stewartville	66.33	66.92
<b>5,945</b>	<b>Byron</b>	<b>68.00</b>	<b>69.63</b>
6,549	Kasson	69.98	71.63
3,499	Pine Island	84.67	84.12
2,915	Chatfield	104.88	105.65

# WHAT ARE PROPERTY TAXES MADE UP OF?

- ❖ Commercial / Industrial Building taxes go to:
  - City / County / School / State
- ❖ Residential taxes go to:
  - City / County / School

# 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**

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

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

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

**Total Tax      \$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**

$$150,000 \times 1.50 = 225,000; 450,000 \times 2 = 900,000$$

$$900,000 + 225,000 = 1,125,000$$

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

**Total Tax      \$7,435.13**

# What Goes on Behind The Scenes.....

- **Put together 41 Committee/Council meeting packets**  
(2019-45)
- **Typed 39 Council/Committee meeting/workshop minutes**  
(2019-42)
- **Wrote and followed up on 30 nuisance concerns**  
(2019-24)
- **Approximately 22,172 water/sewer bills were printed & mailed**  
(2019-22,106)
- **454 residents have opted to go paperless with their water bills. This saves us approximately \$159/month and \$1,908/year on postage.**  
(2019 - 382, \$133 & \$1604)
- **Issued 263 total building/mechanical permits**  
(2019 - 287)

# What Goes on Behind the Scenes

Continued. . .

- **Through December 1st, 1,084 checks have been printed & mailed.**  
(2019 - 1,518)
- **Reviewed and issued 62 ROW permits**  
(2019 - 74)
- **Maintenance had 130 work order/residents requests**  
(2019 - 161)
- **Maintained over 37 inches of snow from Jan. 2020 to Dec. 2020.**  
(2019 - 50)
- **PW used 170 tons of asphalt to fill potholes. That is approximately 10,172 five gallon buckets or about 228,903 shovels of asphalt.**  
(2019 - 205)

**THANK YOU FOR ATTENDING  
BYRON'S 2021 TRUTH IN TAXATION**

**I AM HAPPY TO ANSWER  
QUESTIONS . . .**