



MARSHALL

**CULTIVATING THE BEST IN US**

# 2021 Preliminary Budget Discussion



MARSHALL  
CULTIVATING THE BEST IN US

# Agenda



2020 Recap/Looking Ahead  
Tax Capacity, Rates, Comparisons  
Tax Rates and Property Tax Impacts  
Historical Tax Levy  
2021 Tax Levy and General Fund Impacts  
Debt Reduction  
2021 Tax Levy and General Fund Recommendation

# COUNTY ASSESSMENT SUMMARY WITH TAX CAPACITY VALUES

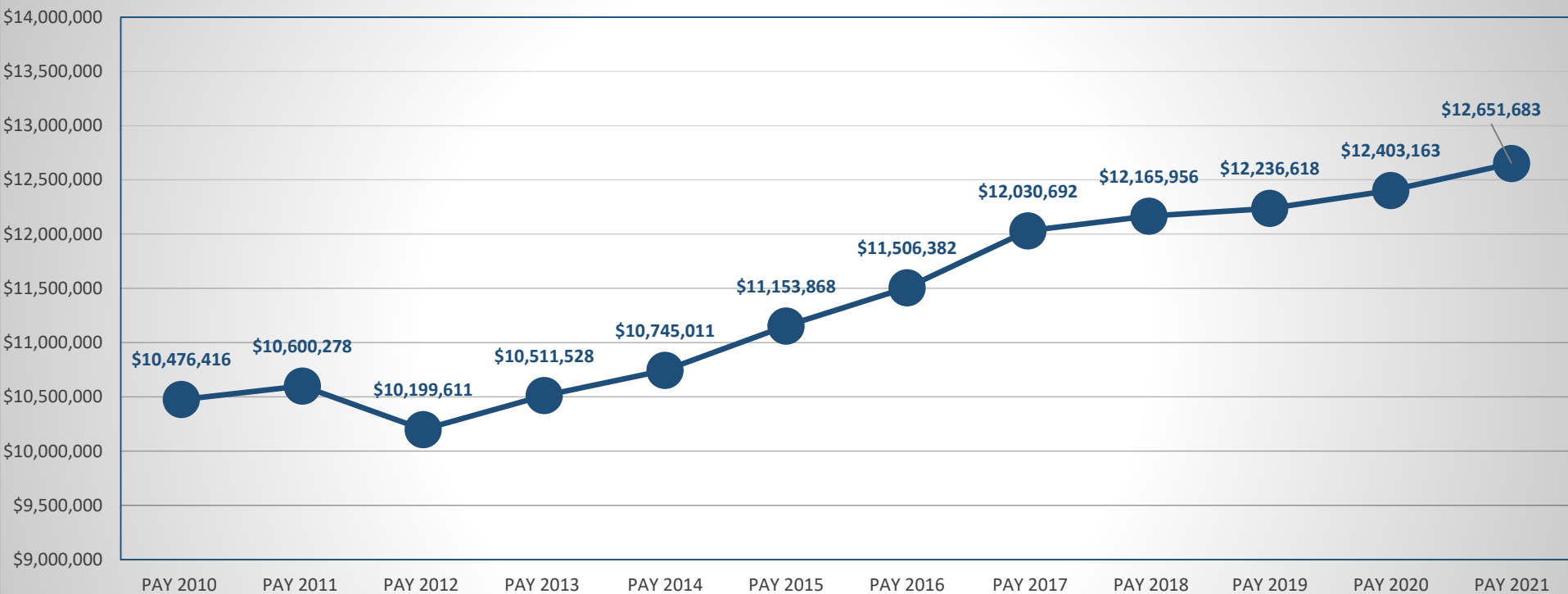
## CITY OF MARSHALL

CODE	DESCRIPTION	2019/20 COUNT	2020/21 COUNT	2019/2020 MARKET VALUE	2020/2021 MARKET VALUE	% OF CHANGE PRIOR YEAR	2019/2020 TAXABLE MARKET VALUE	2020/2021 TAXABLE MARKET VALUE	% OF CHANGE PRIOR YEAR	2019/2020 TAX CAPACITY	2020/2021 TAX CAPACITY	% OF CHANGE PRIOR YEAR
101	AGRICULTURE	53	51	7,117,700	7,857,200	10.39%	6,230,800	6,970,300	11.87%	62,308	69,703	11.87%
151	SEASONAL REC RESIDENTIAL	1	1	181,200	172,900	-4.58%	181,200	172,900	-4.58%	1,812	1,729	-4.58%
200	RESIDENTIAL VACANT LAND	297	283	9,497,000	8,975,900	-5.49%	9,497,000	8,975,900	-5.49%	118,775	112,256	-5.49%
201	RESIDENTIAL / SINGLE UNIT	3412	3428	518,024,600	521,247,900	0.62%	454,852,611	457,502,927	0.58%	4,544,632	4,570,628	0.57%
202	RES X-TRA FULL HOMESTEAD	61	63	13,429,500	14,134,000	5.25%	12,398,713	13,129,378	5.89%	123,716	131,295	6.13%
203	RESIDENTIAL TRIPLEX	35	32	5,444,600	5,269,400	-3.22%	4,731,321	4,626,446	-2.22%	47,314	45,991	-2.80%
204	1 TO 3 UNIT DWELLING	137	139	15,843,400	16,209,700	2.31%	15,843,400	16,209,700	2.31%	198,060	202,637	2.31%
205	4 OR MORE UNITS	147	148	61,577,700	67,094,800	8.96%	61,577,700	67,094,800	8.96%	769,737	838,700	8.96%
217	QUALIFYING 4D LOW INCOME	12	12	11,208,700	12,053,900	7.54%	11,208,700	12,053,900	7.54%	84,067	90,408	7.54%
225	BED & BREAKFAST < 6 UNIT	1	1	35,500	35,000	-1.41%	35,500	35,000	-1.41%	444	438	-1.35%
230	LAND/BULD - P UTILITY	1	1	6,761,300	6,446,600	-4.65%	6,761,300	6,446,600	-4.65%	134,476	128,932	-4.12%
233	COMM LAND & BUILDING	365	362	197,593,600	204,514,400	3.50%	197,593,600	204,514,400	3.50%	3,723,311	3,861,119	3.70%
234	INDUST LAND/BUILDINGS	87	92	73,861,400	74,988,400	1.53%	73,861,400	74,988,400	1.53%	1,424,136	1,445,210	1.48%
235	RR LAND BUILDINGS	1	1	2,515,300	4,458,100	77.24%	2,515,300	4,458,100	77.24%	49,556	88,412	78.41%
240	LAND/BULD - P UTILITY	3	3	729,700	688,500	-5.65%	729,700	688,500	-5.65%	13,844	13,770	-0.53%
243	COMM LAND & BUILDING	197	185	27,705,800	22,581,200	-18.50%	27,705,800	22,581,200	-18.50%	547,540	445,615	-18.62%
244	INDUST LAND/BUILDINGS	63	67	22,799,100	22,894,900	0.42%	22,799,100	22,894,900	0.42%	454,258	456,079	0.40%
247	MH PARK	1	1	142,700	142,700	0.00%	142,700	142,700	0.00%	1,784	1,784	0.00%
250	EDUCATED MH PARK OWNER	2	2	786,300	786,300	0.00%	786,300	786,300	0.00%	7,863	7,863	0.00%
312	NON-PROF COM SRV - NON REV	1	1	12,100	12,100	0.00%	12,100	12,100	0.00%	182	182	0.00%
313	NON-PROF COM SRV- DONATE	1	1	139,800	139,800	0.00%	139,800	139,800	0.00%	2,097	2,097	0.00%
401	AGR ON LEASED LAND	5	5	2,003,500	1,990,400	-0.65%	2,003,500	1,990,400	-0.65%	10,826	10,760	-0.61%
427	TRANSMN LINES	3	3	391,100	391,100	0.00%	391,100	391,100	0.00%	7,822	7,822	0.00%
431	TOOLS AND MACHINERY	1	1	26,300	26,300	0.00%	26,300	26,300	0.00%	526	526	0.00%
433	AGR RE - LL		0	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!
441	STRUCT-LL- URBAN	2	2	447,800	447,800	0.00%	447,800	447,800	0.00%	8,956	8,956	0.00%
444	DISTRIB LINES	1	1	31,400	30,400	-3.18%	31,400	30,400	-3.18%	628	608	-3.18%
445	SYST OF GAS UTILITIES	1	1	3,900	4,700	20.51%	3,900	4,700	20.51%	78	94	20.51%
451	STRUCT - PUBLIC LL	2	2	1,232,400	1,232,400	0.00%	1,232,400	1,232,400	0.00%	23,794	23,794	0.00%
455	SYST OF GAS UTILITIES	1	1	3,263,100	3,581,800	9.77%	3,263,100	3,581,800	9.77%	65,262	71,636	9.77%
	<b>TOTAL TAXABLE</b>	<b>4894</b>	<b>4890</b>	<b>982,806,500</b>	<b>998,408,600</b>	<b>1.59%</b>	<b>917,003,545</b>	<b>932,129,151</b>	<b>1.65%</b>	<b>12,427,804</b>	<b>12,639,044</b>	<b>1.70%</b>

# 2010-2021 Historical Tax Capacity



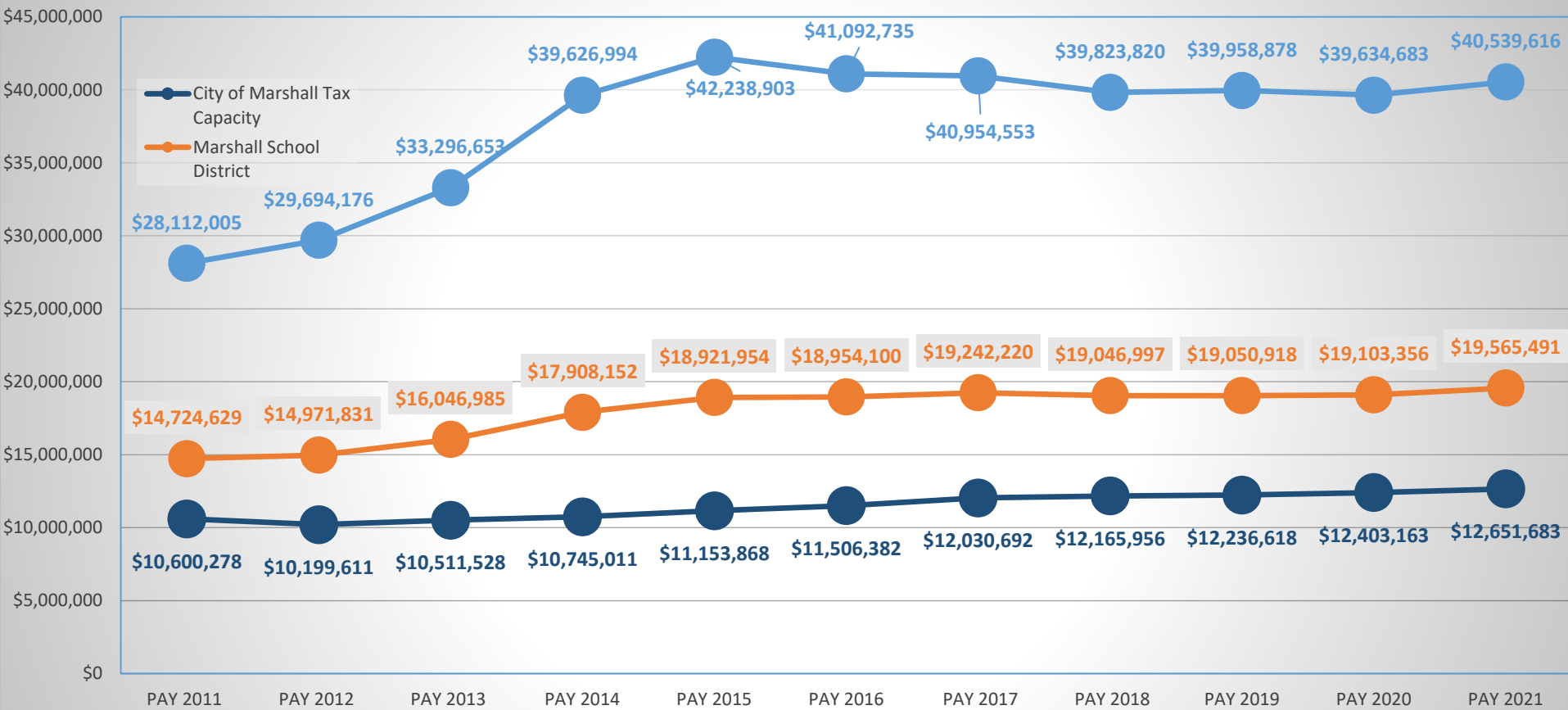
## City of Marshall Tax Capacity August Projections (prior to TIFF)



PRELIMINARY

# Lyon County, City of Marshall, ISD #413 = Tax Capacity

Lyon County, City of Marshall, ISD # 413 Tax Capacity (prior to TIFF)

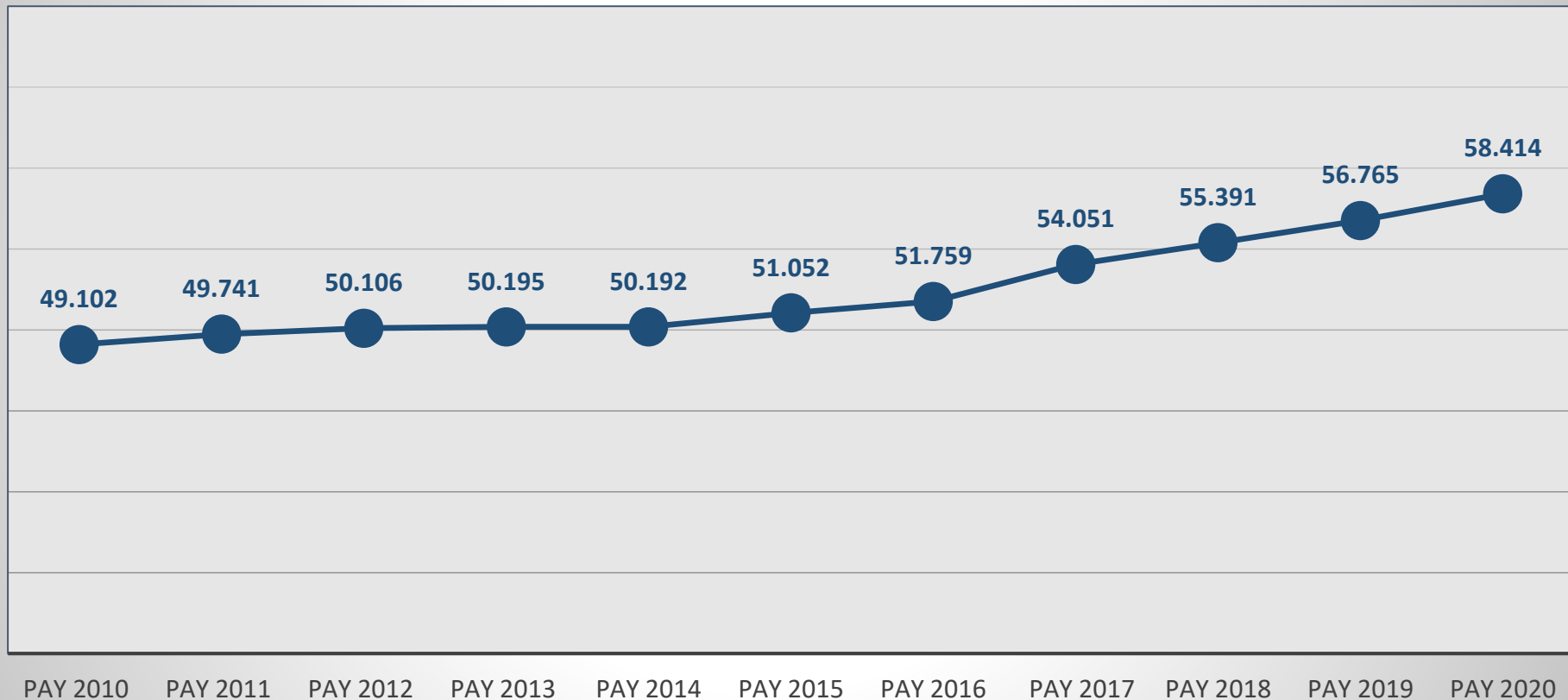


PRELIMINARY



# 2010-2020 Historical Tax Extension Rate

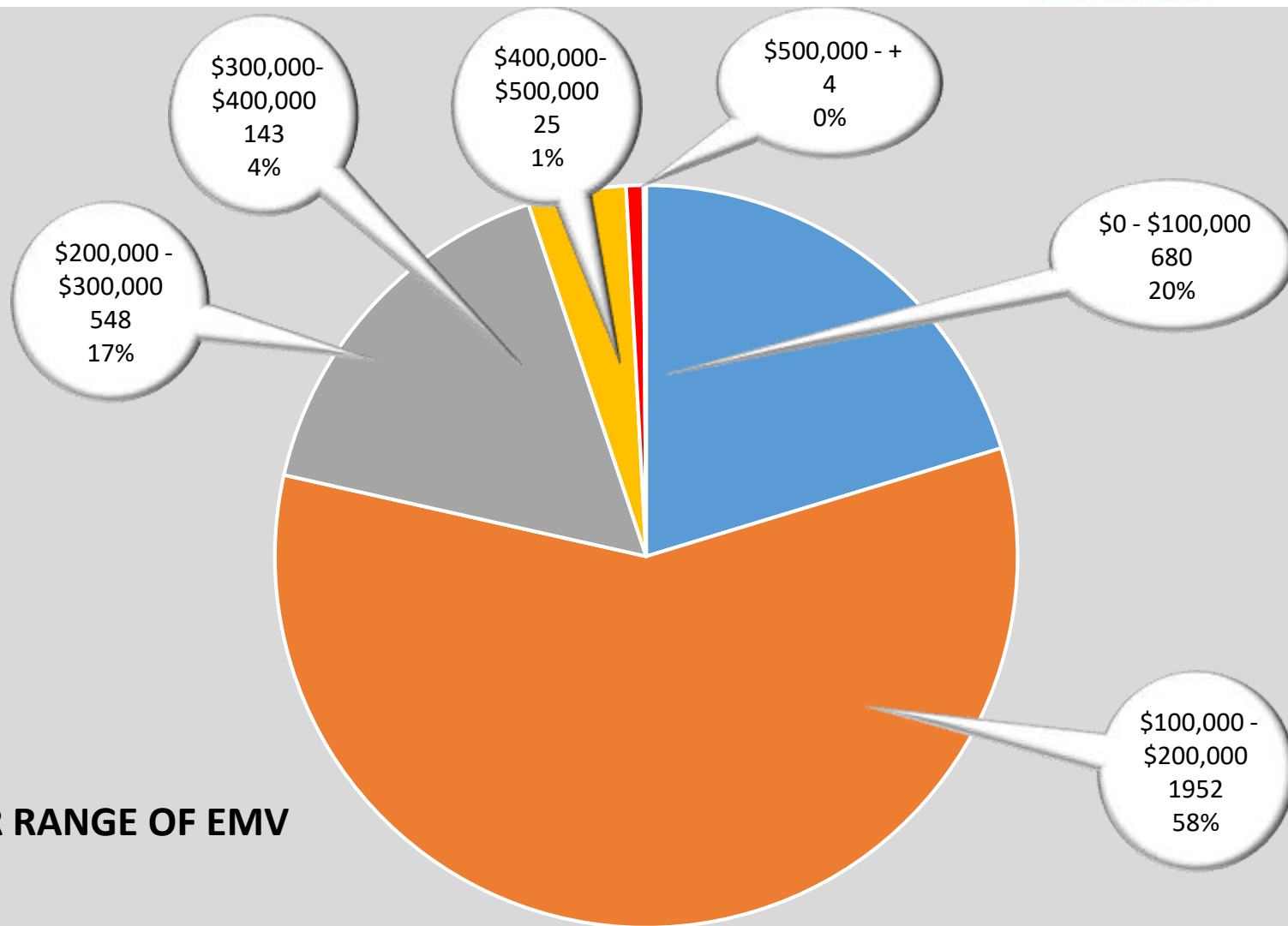
Historical Tax Extension Rate  
City of Marshall



2020 TAX RATE COMPARISON							How does Marshall Rank?		What does this mean in Tax Dollars? If you lived or owned in the following communities this is what you could expect to pay in Taxes		
Tax rate data obtained from respective County Auditors/Assessors. Population data obtained online (may vary). Data is distributed by Counties in various formats, rates may slightly vary due to manual calculations.							<i>1 being the highest tax rate &amp; 24 being the lowest</i>		<i>Does not include any School Referendums or Special Assessments</i>		
City	County	Population	City Tax Rate	County Tax Rate	School Tax Rate	Total Tax Rate	Ranking by City Tax Rate	Ranking by Total Tax Rate	\$200,000 Residential Homestead	\$500,000 Commercial Property (including State General Tax)	City
Tracy	Lyon	2,060	178.3850	35.7740	5.4800	219.7920	1	1	\$3,974	\$23,341	Tracy
Balaton	Lyon	643	170.0170	38.3330	7.1100	215.6130	2	2	\$3,898	\$22,955	Balaton
Pipestone	Pipestone	4,106	96.5410	34.3490	12.9400	143.9740	3	10	\$2,603	\$16,328	Pipestone
Minneota	Lyon	1,362	94.4870	37.1820	24.5540	157.5750	4	6	\$2,849	\$17,586	Minneota
Waseca	Waseca	9,410	92.4680	64.6200	32.3040	193.0530	5	3	\$3,490	\$20,868	Waseca
Redwood Falls	Redwood	5,015	89.6100	35.8570	27.2690	152.8880	6	8	\$2,764	\$17,153	Redwood Falls
Cottonwood	Lyon	1,230	84.2100	38.7560	21.8700	146.1880	7	9	\$2,643	\$16,533	Cottonwood
Brainerd	Crow Wing	13,349	79.3320	32.5070	28.8810	142.5400	8	12	\$2,577	\$16,196	Brainerd
New Ulm	Brown	13,342	78.8210	41.1380	20.9400	142.2710	9	13	\$2,572	\$16,171	New Ulm
Glenwood	Pope	2,564	72.2210	42.5670	16.8840	133.7330	10	14	\$2,418	\$15,381	Glenwood
Hutchinson	McLeod	13,888	66.4730	59.8090	34.2530	164.1470	11	4	\$2,968	\$18,194	Hutchinson
Owatonna	Steele	25,599	62.4810	60.4570	40.0150	162.9530	12	5	\$2,946	\$18,084	Owatonna
Luverne	Rock	4,658	61.5360	22.2950	19.2370	103.2170	13	25	\$1,866	\$12,558	Luverne
Northfield*	Rice	20,007	61.3350	39.5330	30.3550	131.4350	14	15	\$2,376	\$15,168	Northfield
Fairmont	Martin	10,666	61.0410	41.6670	24.8530	127.9610	15	16	\$2,314	\$14,847	Fairmont
Albert Lea	Freeborn	17,677	60.0640	62.5730	27.7490	153.4100	16	7	\$2,774	\$17,201	Albert Lea
Marshall	Lyon	13,664	58.4140	37.5490	30.9180	127.0340	17	17	\$2,297	\$14,761	Marshall
Fergus Falls	Otter Tail	13,419	58.2520	41.1330	22.3560	124.0320	18	19	\$2,242	\$14,484	Fergus Falls
Northfield*	Dakota	20,007	58.1610	21.8100	30.4190	115.0330	19	22	\$2,080	\$13,651	Northfield
Fairbault	Rice	23,352	55.8550	39.5270	12.7470	108.3410	20	24	\$1,959	\$13,032	Fairbault
Worthington	Nobels	13,136	55.6120	34.8290	28.4030	123.0860	21	21	\$2,225	\$14,396	Worthington
St. Peter	Nicolett	11,692	51.6520	55.0580	35.9060	143.0820	22	11	\$2,587	\$16,246	St. Peter
North Mankato	Nicolett	13,619	49.6680	55.0730	21.7410	126.9480	23	18	\$2,295	\$14,753	North Mankato
Alexandria	Douglas	13,568	40.4050	46.4490	21.3790	110.2640	24	23	\$1,994	\$13,210	Alexandria
Willmar	Kandiyohi	19,558	39.8350	60.7360	23.1070	123.6780	25	20	\$2,236	\$14,451	Willmar

\* Northfield = City tax rate does not include an additional 3.1760 for the EDA (1.572) and HRA (1.604). (included in Total Tax Rate)





■ \$0 - \$100,000

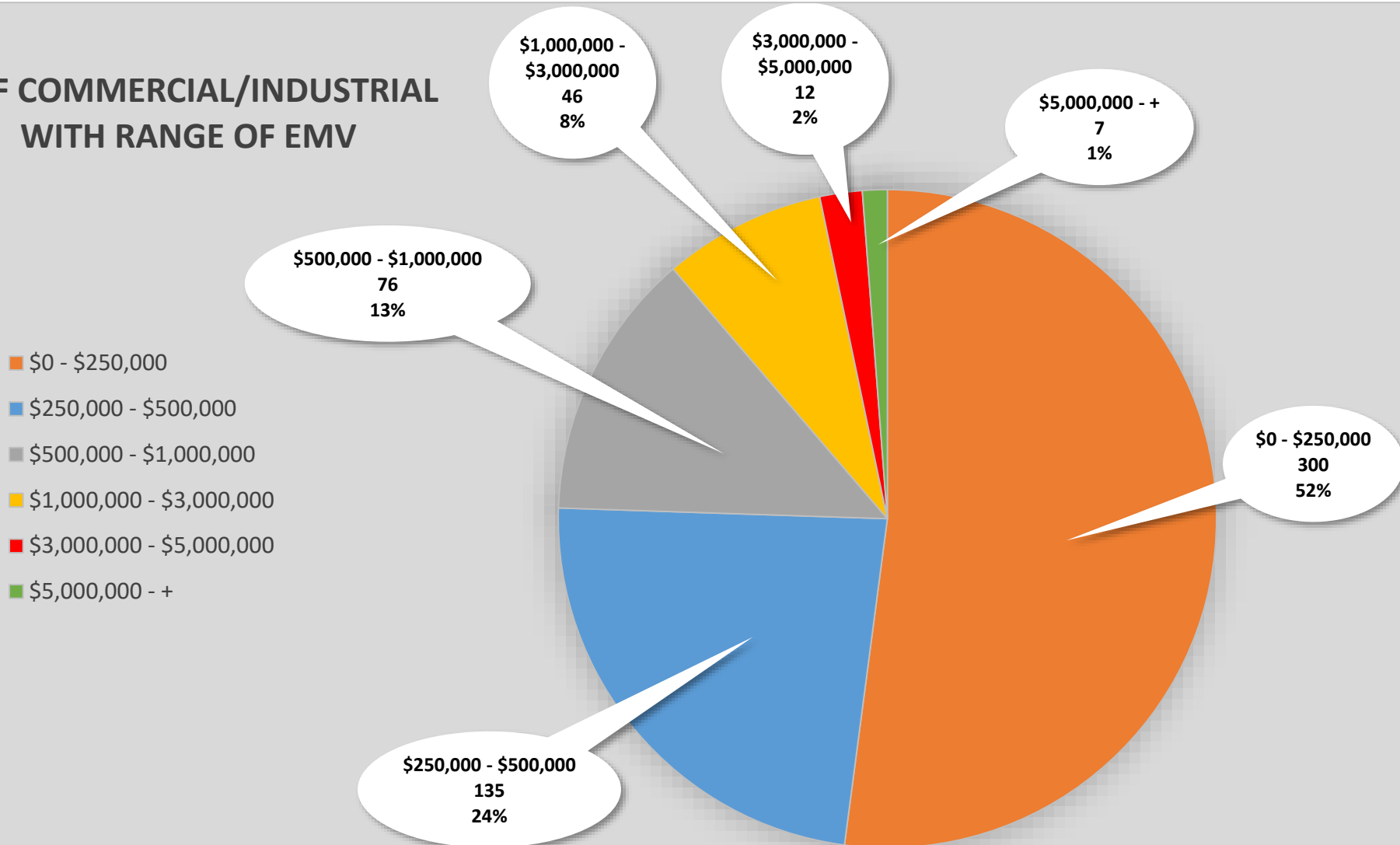
■ \$100,000 - \$200,000

■ \$200,000 - \$300,000

### # OF HOMES PER RANGE OF EMV

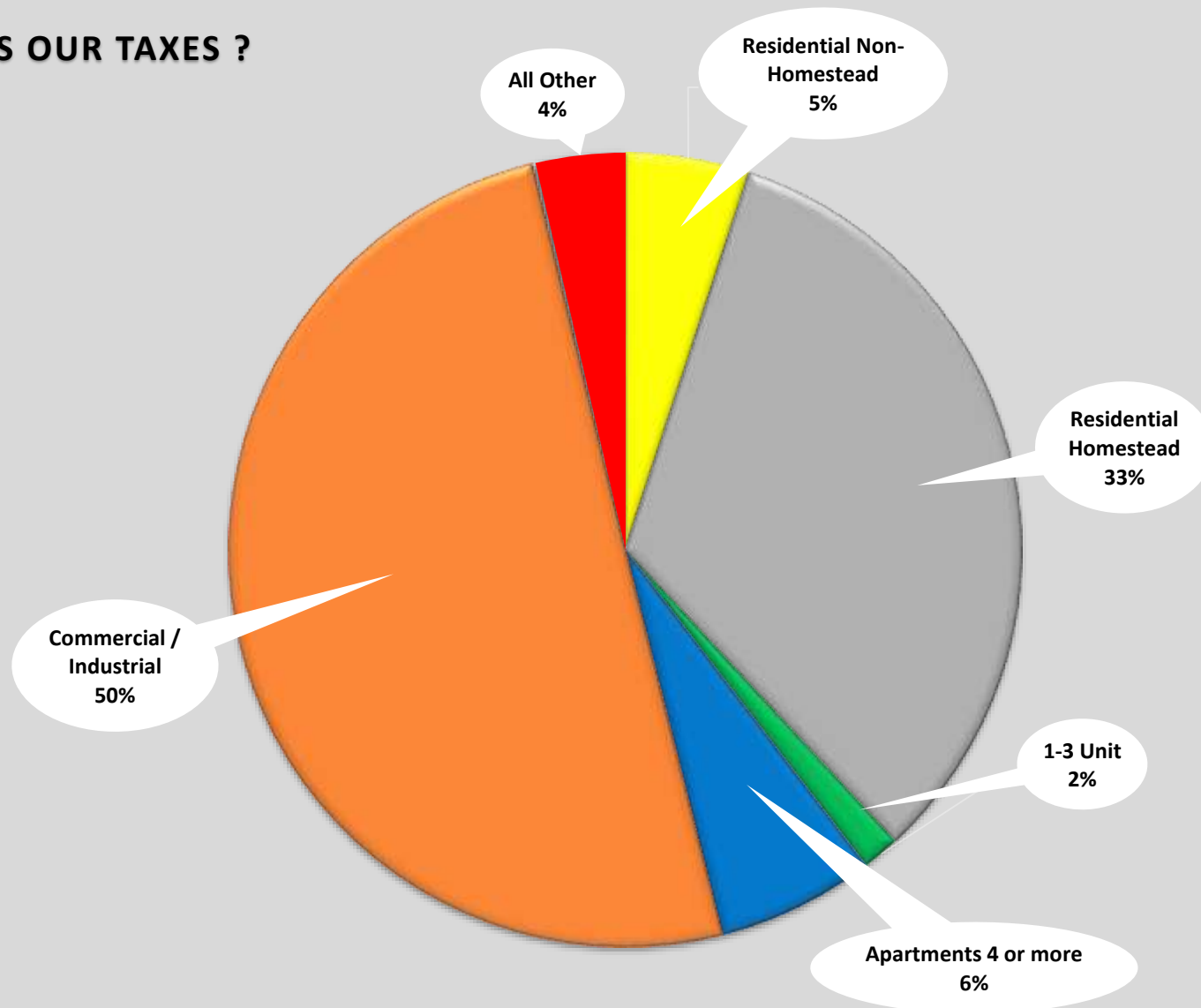


## # OF COMMERCIAL/INDUSTRIAL WITH RANGE OF EMV

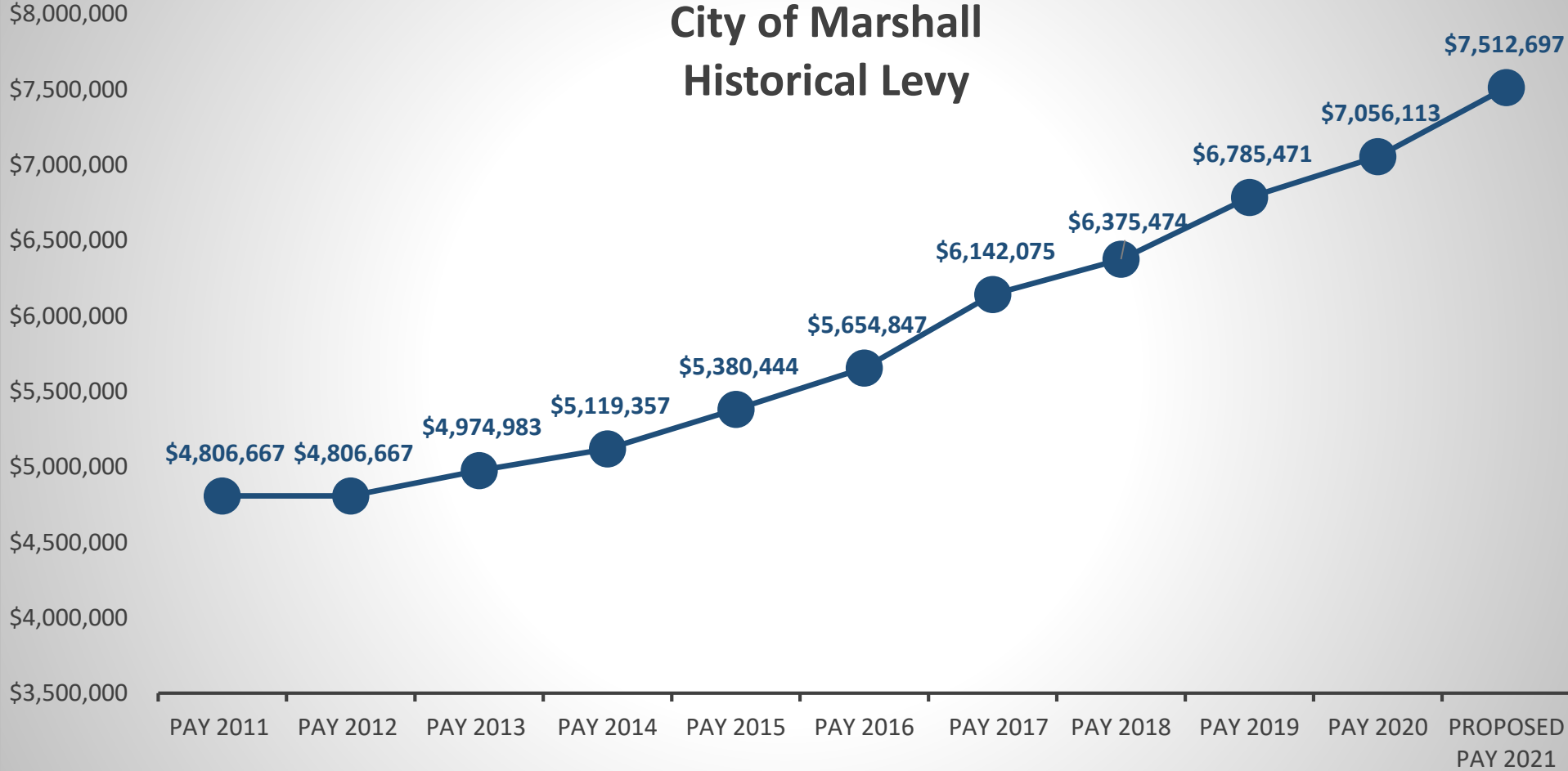




## WHO PAYS OUR TAXES ?



# City of Marshall Historical Levy





## Historical Tax Levy Increase Percentage and Average

Year	Levy Amount	Percentage Increase
2010	\$4,666,667	6.73
2011	\$4,806,667	3.00
2012	\$4,806,667	0.00
2013	\$4,974,983	3.50
2014	\$5,119,357	2.90
2015	\$5,380,444	5.10
2016	\$5,654,847	5.10
2017	\$6,142,075	8.62
2018	\$6,375,474	3.80
2019	\$6,785,471	6.43
2020	\$7,056,113	3.99
Average Levy Increase Since 2010		4.47

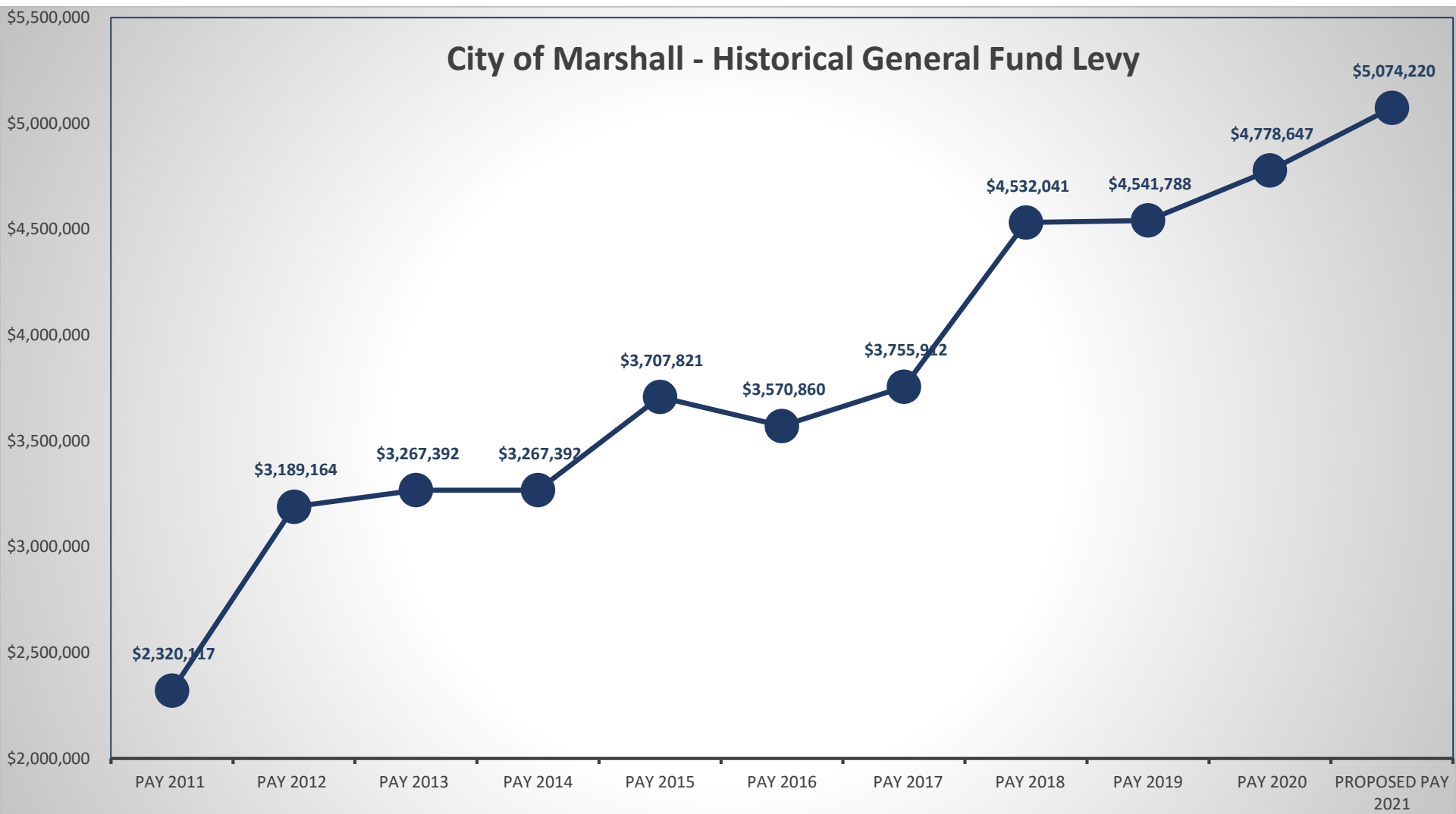


## Tax Capacity Increase Percentage and Average

<b>Payable Year</b>	<b>Levy Tax Capacity (After TIFF Deduction)</b>	<b>Percentage Increase</b>
2008	\$8,520,358	
2009	\$9,061,565	6.35%
2010	\$9,506,725	4.91%
2011	\$9,663,390	1.65%
2012	\$9,605,127	-0.60%
2013	\$9,913,382	3.21%
2014	\$10,119,548	2.08%
2015	\$10,556,108	4.31%
2016	\$10,935,532	3.59%
2017	\$11,399,112	4.24%
2018	\$11,537,391	1.21%
2019	\$12,020,279	4.19%
2020	\$12,104,450	0.70%
2021	\$12,318,235	1.77%
Average Tax Capacity Growth Since 2008		2.89%

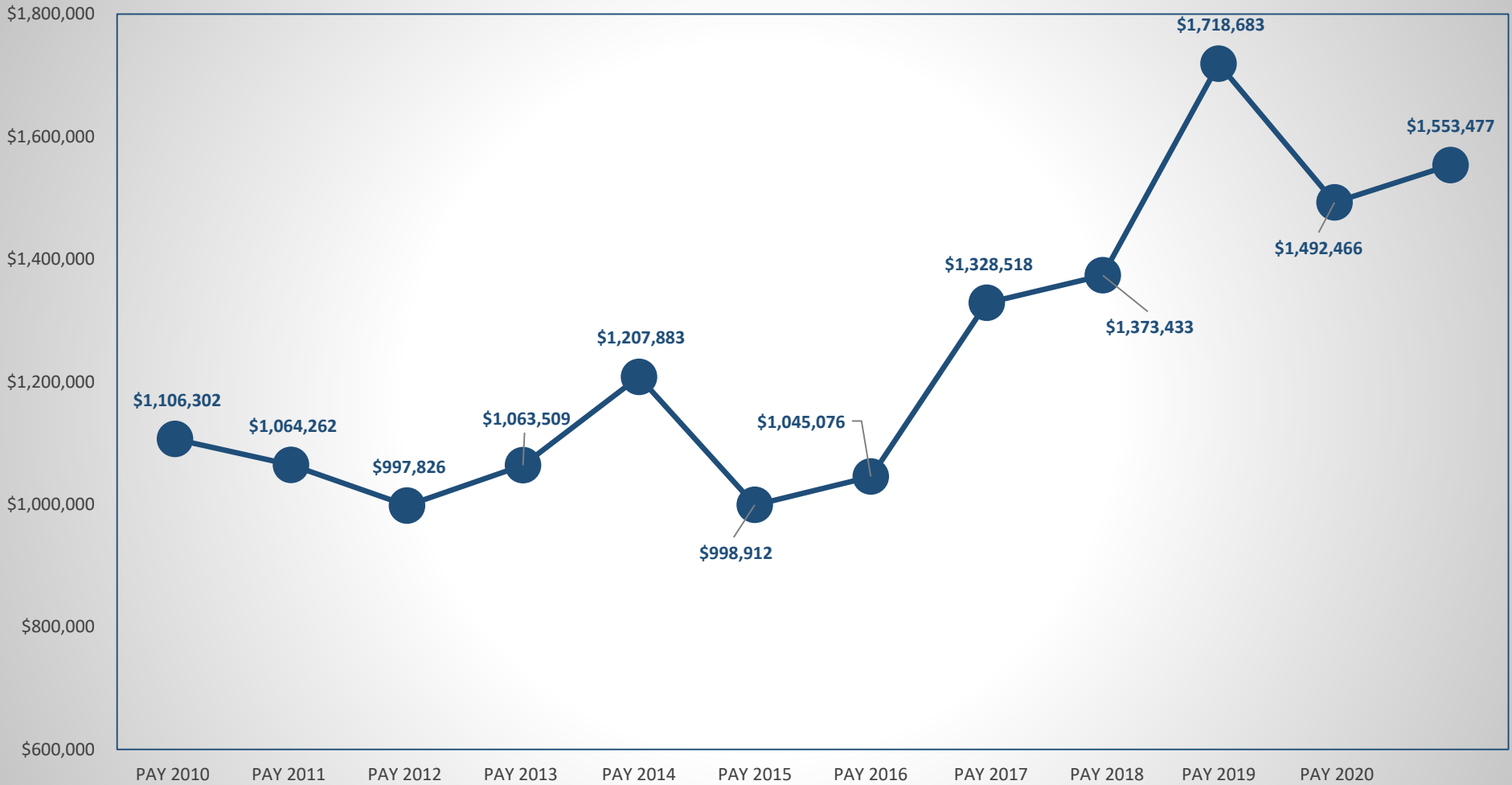


### City of Marshall - Historical General Fund Levy





## City of Marshall - Debit Service Levy

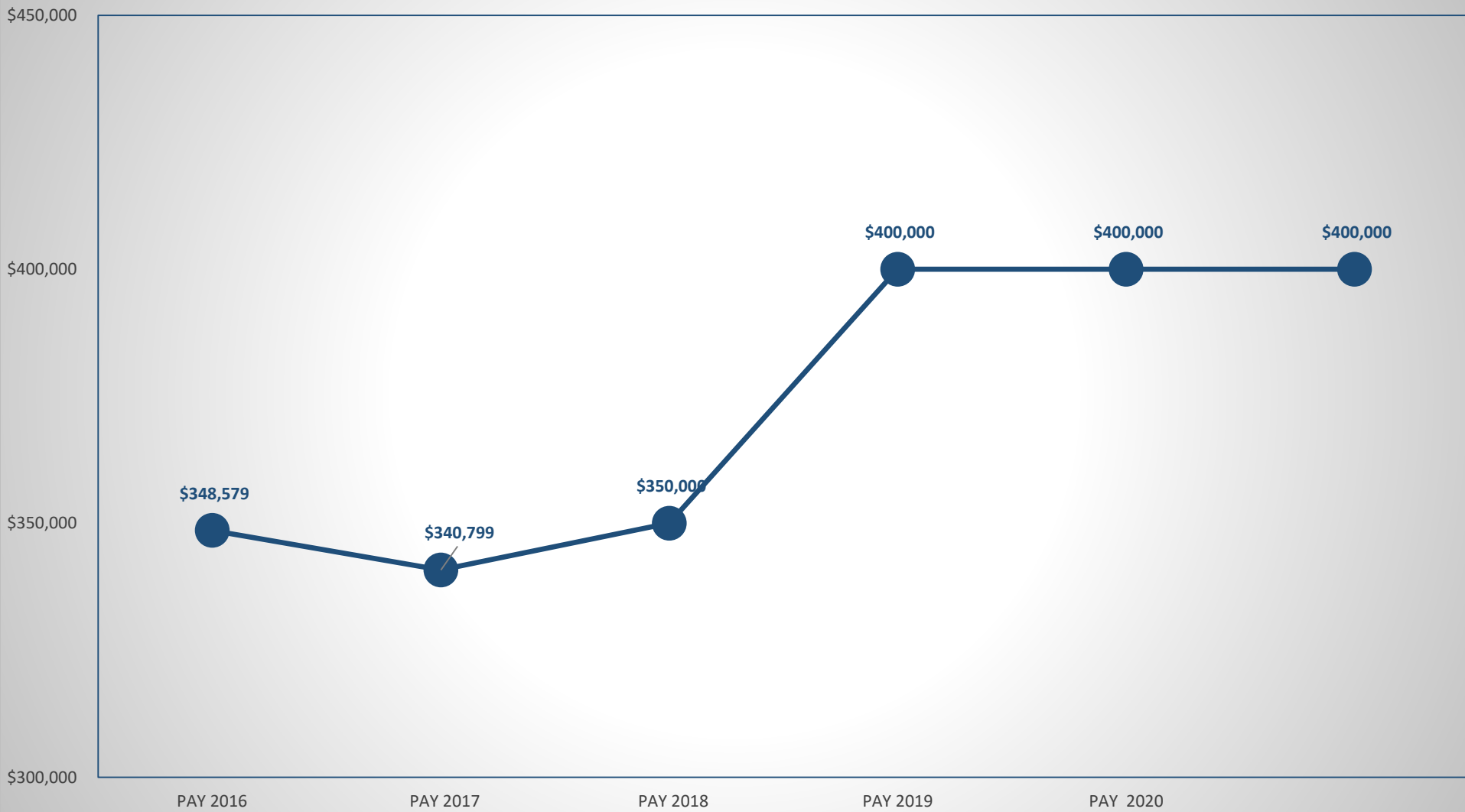


PROPOSED  
PAY 2021



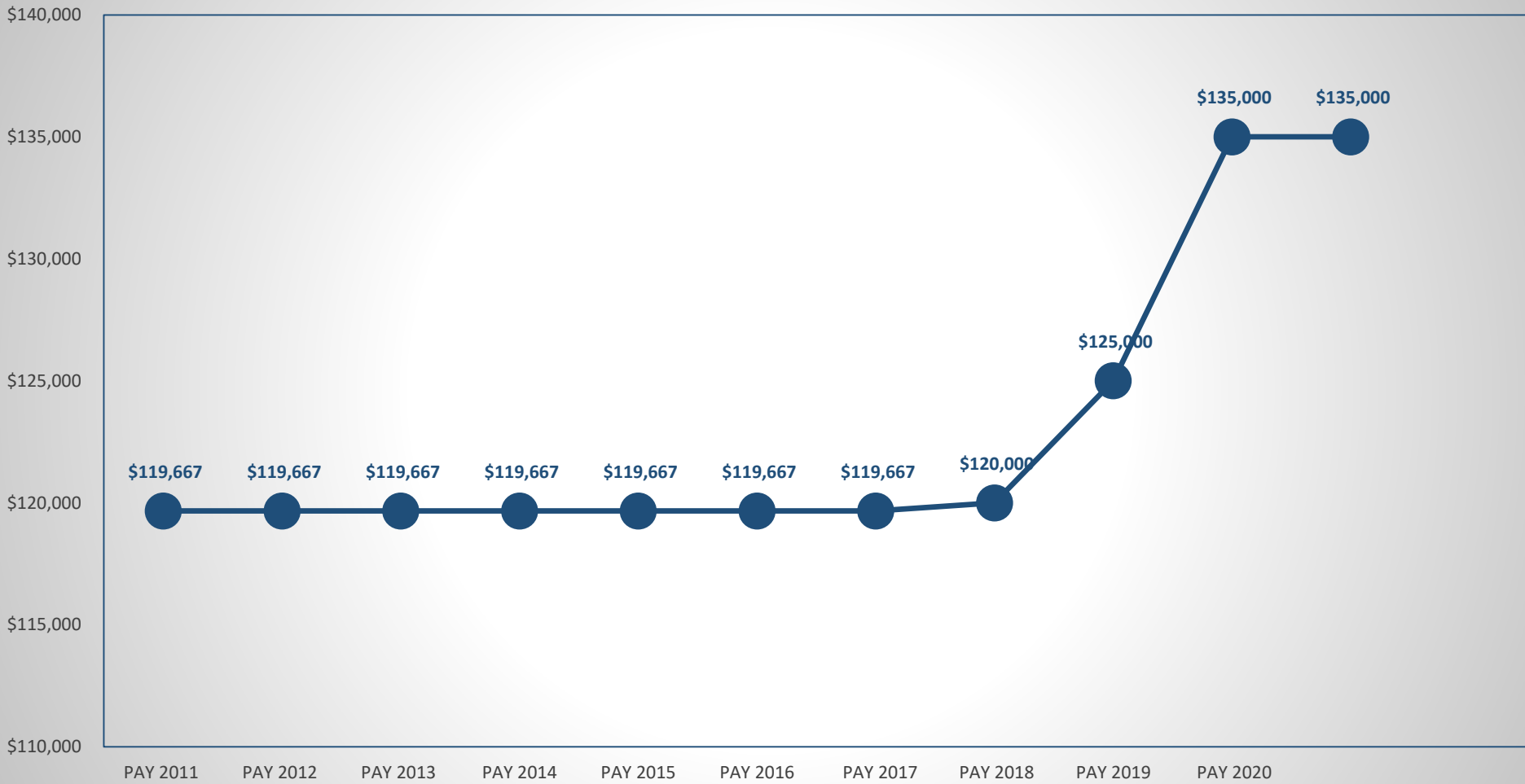


## City of Marshall - Capital Improvement Levy





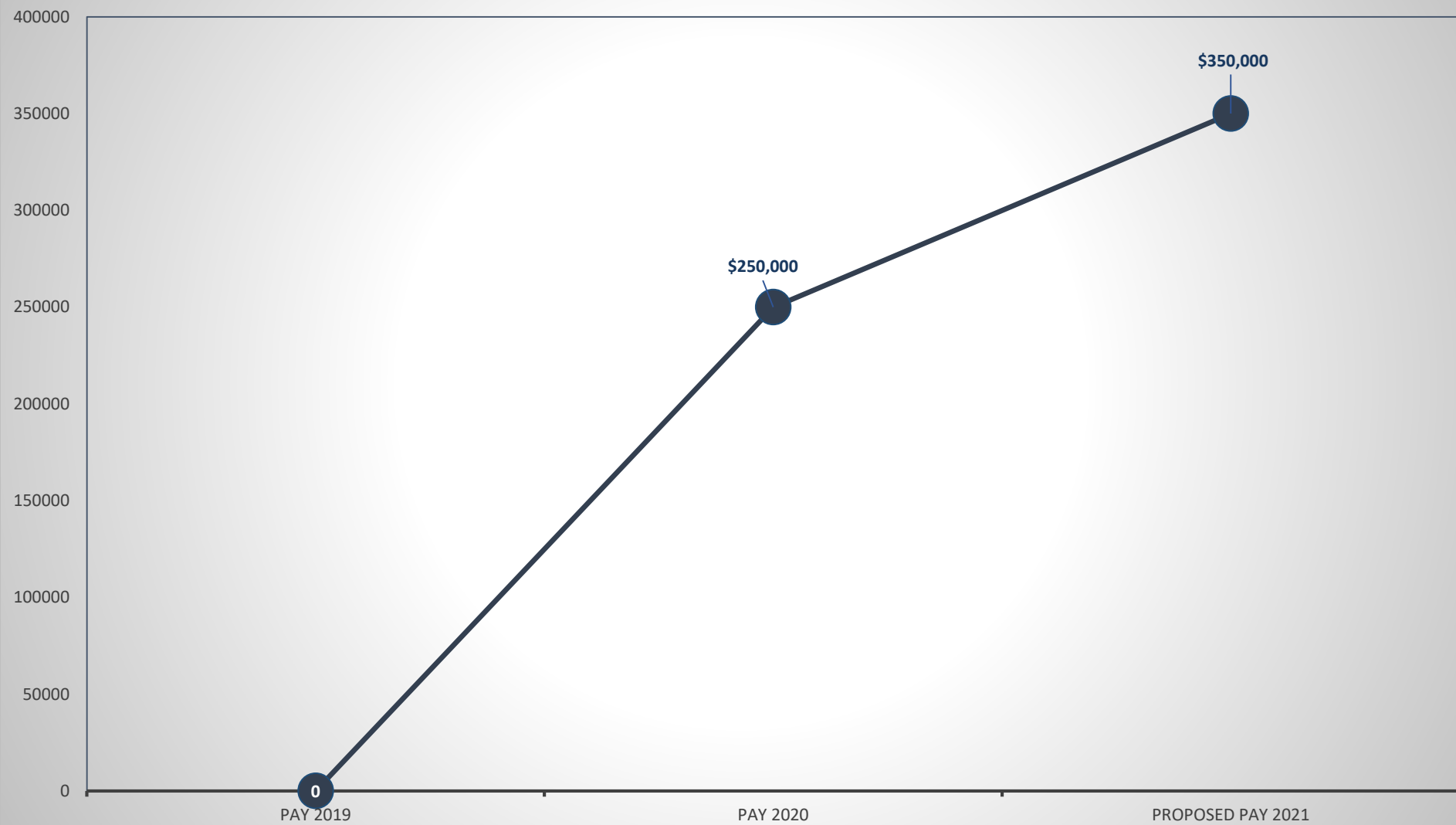
## City of Marshall - EDA Levy



PROPOSED  
PAY 2021

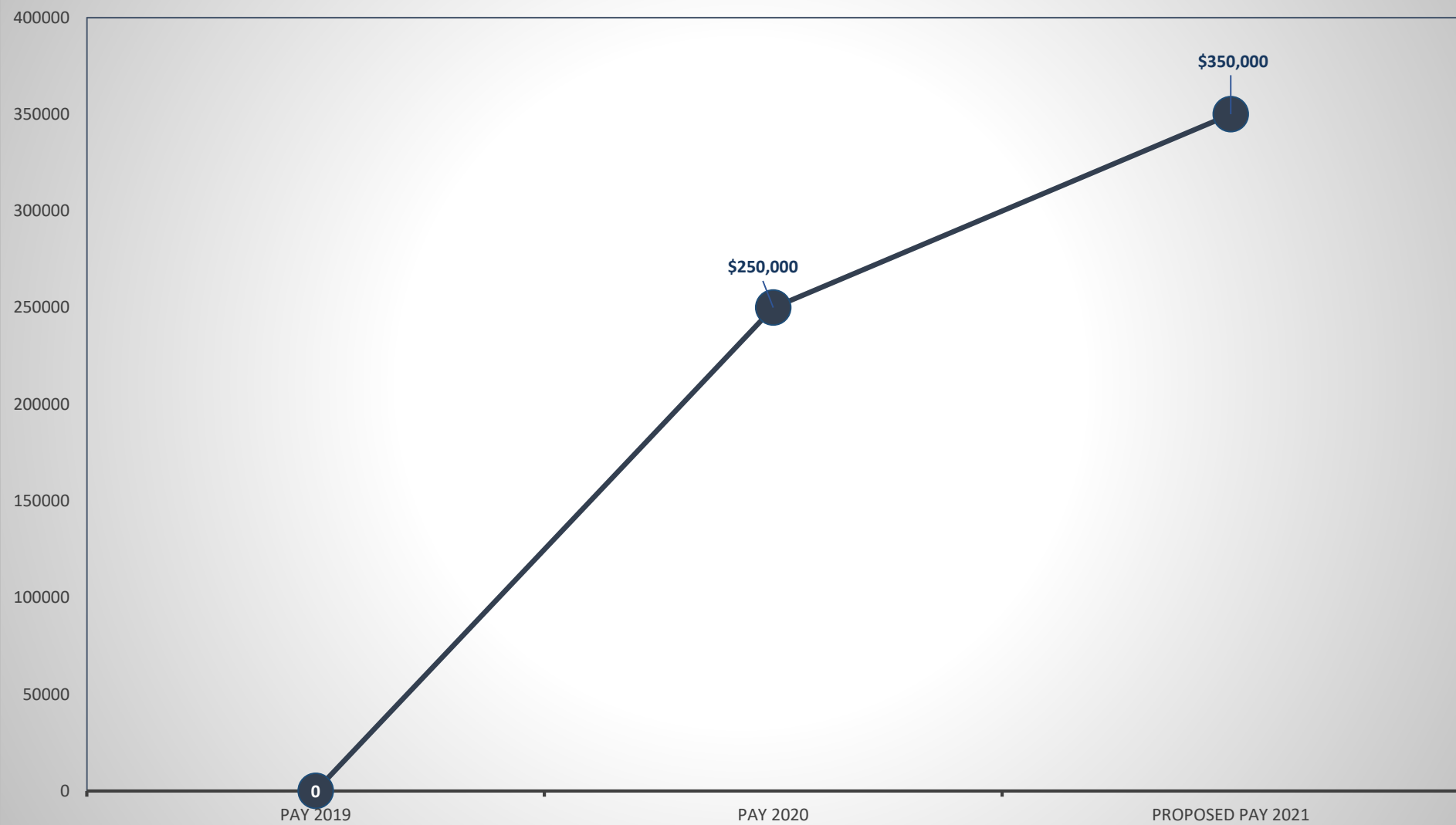


## City of Marshall - Street Levy





## City of Marshall - Street Levy





# 2020 Accomplishments

Debt Reduction Work

Street Assessments-City More/Taxpayer Less

City Hall Construction Started

Strategic Plan Adopted

Staff Additions

- Public Works Director

- Assistant Engineer

- EDA Director

Branding Launched

COVID Response



# 2021 Levy and Budget Discussion

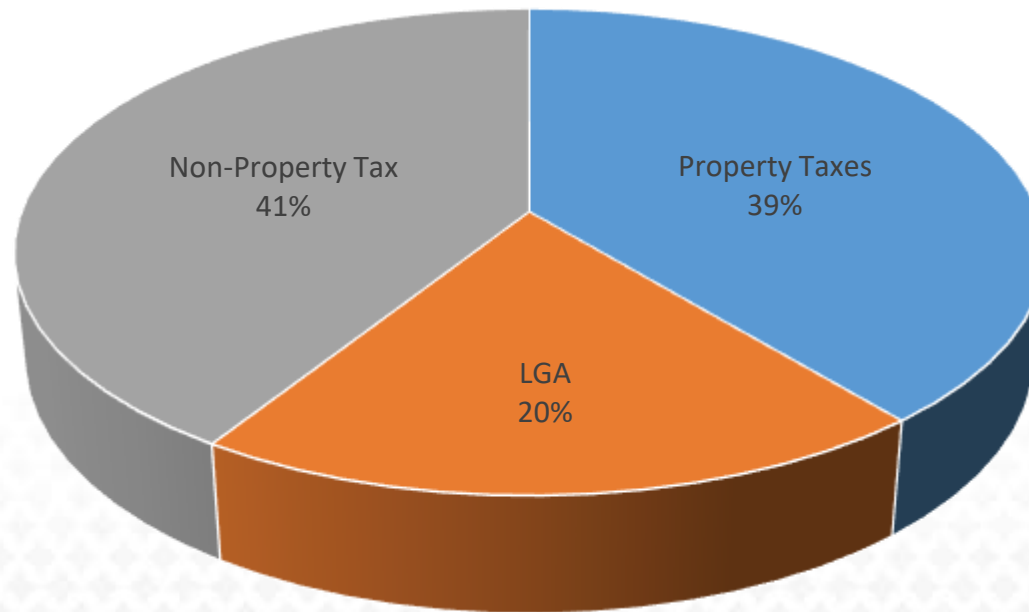


# Definition of a Budget

A budget is an estimation of revenue and expenses over a specified future period of time and is utilized by governments, businesses, and individuals.



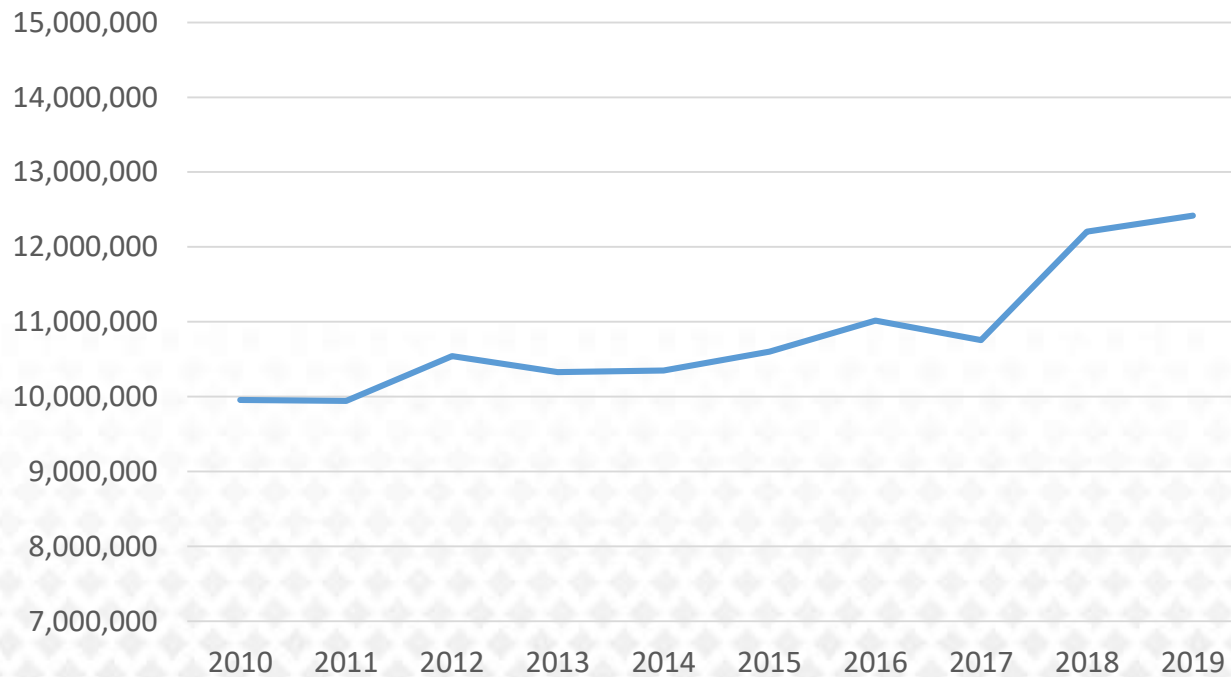
## 2021 General Fund Revenues





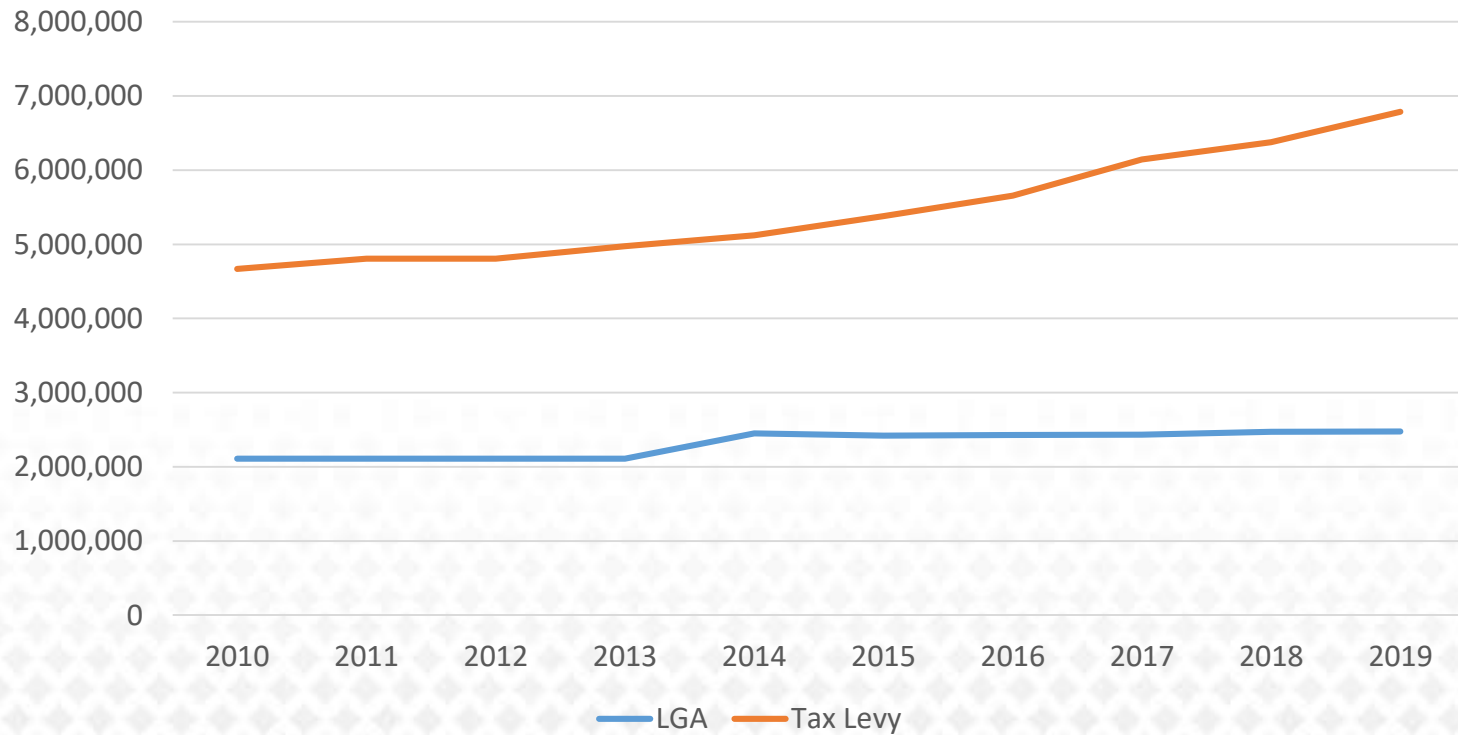


## General Fund Expenditures 2010-2019





## Local Gov. Aid vs. Tax Levy 2010-2019





# Debt Reduction



**City of Marshall**  
Schedule of Property Taxes Levied

	Actual Levy 2019	Actual Levy 2020	Estimated 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025	Estimated 2026	Estimated 2027	Estimated 2028	Estimated 2029
101 General Fund Levy	4,541,788	4,778,647	5,074,220	5,327,931	5,594,328	5,874,044	6,167,746	6,476,133	6,799,940	7,139,937	7,496,934
401 Capital Equipment Levy	400,000	400,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	750,000
495 Street Capital Fund	-	250,000	350,000	450,000	600,000	775,000	885,000	950,000	1,050,000	1,050,000	1,050,000
208 Special Levy (EDA)	125,000	135,000	135,000	137,000	139,000	141,000	143,000	145,000	147,000	149,000	151,000
Tax Abatements	-	-	17,000	33,773	24,340	13,456	8,770	6,536			
Special Levy (Debt Service)											
321 2010A G.O. Capital Improvement Bonds	51,854	43,257	53,467	51,336	54,263	51,782	51,782	-	-	-	-
325 2015A G.O. CIP Bonds	55,361	54,416	53,471	52,526	51,463	55,650	54,075	-	-	-	-
359 2015B G.O. Public Improvement Bonds	51,814	51,305	50,796	50,287	53,873	-	-	-	-	-	-
360 2016B G.O. Public Improvement Bonds	263,368	264,860	260,998	110,136	109,214	108,292	-	-	-	-	-
362 2017A G.O. Public Improvement Bonds	171,395	164,791	162,112	167,805	126,749	123,795	120,487	122,430	68,965	-	-
369 2011B G.O. Public Improvement Bonds	89,408	86,662	90,342	88,505	86,520	88,830	90,930	92,820	-	-	-
373 2014C G.O. Public Improvement Bonds	140,491	75,000	-	-	-	-	-	-	-	-	-
374 2015A G.O. Street Reconstruction Bonds	94,054	92,794	96,784	95,419	93,883	92,348	90,300	100,000	-	-	-
375 2018A G.O. Public Improvement Bonds	136,450	125,000	125,000	120,000	120,000	115,000	115,000	110,000	110,000	105,000	100,000
376 2016C G.O. Public Improvement Bonds	193,620	191,100	193,830	191,205	193,830	191,100	193,620	190,785	193,200	190,260	192,570
377 2017B G.O. Public Improvement Bonds	52,523	43,281	42,546	41,940	41,333	40,727	45,150	44,100	43,050	-	-
394 2020A City Hall	87,815	250,000	239,103	237,791	235,953	238,841	235,691	234,851	238,841	236,951	239,891
378 2020B	50,000	50,000	118,028	119,156	120,178	115,845	116,762	91,325	92,557	-	
2021 Bonding (1,000,000, 5% 10 Years)			50,000	157,500	152,250	147,000	141,750	136,500	131,250	126,000	120,750
2022 Bonding				50,000	157,500	152,250	147,000	141,750	136,500	131,250	126,000
2023 Bonding						157,500	152,250	147,000	141,750	136,500	131,250
2024 Bonding						25,000	75,000	72,500	70,000	67,500	65,000
2025 Bonding							25,000	75,000	72,500	70,000	67,500
2026 Bonding								25,000	75,000	72,500	70,000
2027 Bonding									25,000	75,000	72,500
2028 Bonding										25,000	75,000
2029 Bonding											25,000
2030 Bonding											
Total Levy	6,785,471	7,056,113	7,512,698	7,932,308	8,454,677	9,057,459	9,459,313	9,811,730	10,095,553	10,324,898	10,733,395
	6.43%	3.99%	6.47%	5.59%	6.59%	7.13%	4.44%	3.73%	2.89%	2.27%	3.96%



# Budget and Levy Impacts



# 2021 Tax Levy Impacts

Personal

3.25% COLA

Internal Consistency

Labor Relations Discussion

Health Insurance

7% Budgeted

LGA

Increase, but unallotment concerns

Reserve Spending

Included as part of Levy Reduction

Debt Service

Tax Abatements



## City of Marshall Tax Abatements

Parcel #	Property Address	Anticipated Abatement Start Year	Amount to Levy 2021	Amount to Levy 2022	Amount to Levy 2023	Amount to Levy 2024	Amount to Levy 2025	Amount to Levy 2026
27-826023-0	1103 Slate Street	2021	\$998	\$998	x	x	x	x
27-125002-0	1501 US Hwy 59	2022	x	16341	13,072	9,804.6	8,170	6,536
27-711028-0	305 Brussels Ct	2021	\$851	\$851	x	x	x	x
27-711029-0	307 Brussels Ct	2021	\$897	\$897	x	x	x	x
27-814001-0	702 E Southview Drive	2021	\$1,637	\$1,051	901	751	600	x
27-711040-0	301 London Road	2022	x	\$833	833	x	x	x
27-711041-0	303 London Road	2022	x	\$833	833	x	x	x
27-574061-2	301 Stephens Ave	2022	x	\$2,902	2,902	x	x	x
27-945001-0	1500 Travis Road	2021	\$9,780	\$6,928	4,619	2,310	x	x
27-105001-0	1005 Channel Parkway	2021	\$2,484	\$1,772	1,180	590	x	x
27-315002-0	314 Rainbow Road	2021	\$367	\$367	x	x	x	x
			\$17,014	\$33,773	\$24,340	\$13,456	\$8,770	\$6,536



## PROJECTED NUMBERS FOR PAY 2021

Preliminary Pay 2021 Tax Capacity Including TIF	\$12,651,683
*TIF	- \$333,448
JOBZ-Program Expired for Pay 2017	<u>          N/A</u>

Preliminary Pay 2021 Tax Capacity	\$12,318,235
2020 Tax Capacity Extension Rate	<u>          58.414%</u>
(*** excluding Rural Service District Calculations***)	

Preliminary Levy **\$7,195,573**

Preliminary levy of \$7,195,573 (or about a 1.97% increase over pay 2020) results in no property tax increase **if** no 2020 valuation change (city portion of property tax only).





## Recommended 2021 Preliminary Levy and General Fund Budget

	2020 Levy	2021 Proposed Levy	% of Levy Increase	
General	4,778,647	5,074,220	4.19%	
EDA	135,000	135,000	0.0%	
Capital	400,000	400,000	0.0%	
Street Capital	250,000	350,000	1.42%	
Debt	1,492,466	1,553,477	0.86%	
<b>Tax Levy</b>	<b>7,056,113</b>	<b>7,512,697</b>	<b>6.47%</b>	
		How does this impact Property Taxes? <i>*City Portion Only</i>		
		<b>Homesteaded Residential Property</b>		
Levy Increase	6.47%	100,000	150,000	300,000
Capacity Growth Rate	1.98%	\$18	\$33	\$75
Levy Increase & Capacity Growth Rate Difference	4.49%	<b>Commercial Property</b>		
		150,000	250,000	500,000
		\$58	\$109	\$238
				1,000,000
				\$495



# Future Taxpayer Considerations

Continued COVID Impacts

EDA

Community Pool

Strategic Plan/Branding Implementation

Structurally Balanced Budget



# Ways to Reduce Levy

	<u>2020 Levy</u>	<u>Proposed 2021 Levy</u>	<u>% Change</u>	
	7,056,113.00	7,512,697.00	6.47%	
Ways to Reduce Levy				
Remove 2021 Bond Interest Levy		(50,000)		Historically there has been an interest levy for next year's bonding - this could be removed
Reserve Spending*		(85,000)		The past 2 years our 'balanced budget' included the use of reserves from 120,000 - 170,000
Reduce Health Insurance Increase		(50,000)		Currently there is a 7% increase - this reduction would reduce to 3% (rates will be known in Sept)
Increase Interest Revenue		(25,000)		Interest revenue is not known, and this number can be adjusted - currently interest rates are down
Remove 2021 Elections (no election)		(20,000)		There isn't a planned election in 2021 - this amount is to keep a steady expense line in for elections
Reduce Street Capital Fund Increase		(50,000)		Mill & Overlay would be the same amount as 2020 - it was planned to grow 50,000 for the next 5 years
Staff Furloughs		(24,000)		
		(304,000)		
% Change from 2020			2.19%	
New Proposed 2021 Levy		7,210,642		
Amount Needed to Cut		302,055		
*Reserve Spending List				
Job Comp Study	30,000			
Tax Court Appeals	15,000			
Comprehensive Study	20,000			
Marketing Service	20,000			
	85,000			

# Questions?



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