



MARSHALL

CULTIVATING THE BEST IN US

2021 Truth in Taxation

December 8, 2020 6:00 PM



MARSHALL

CULTIVATING THE BEST IN US

Agenda

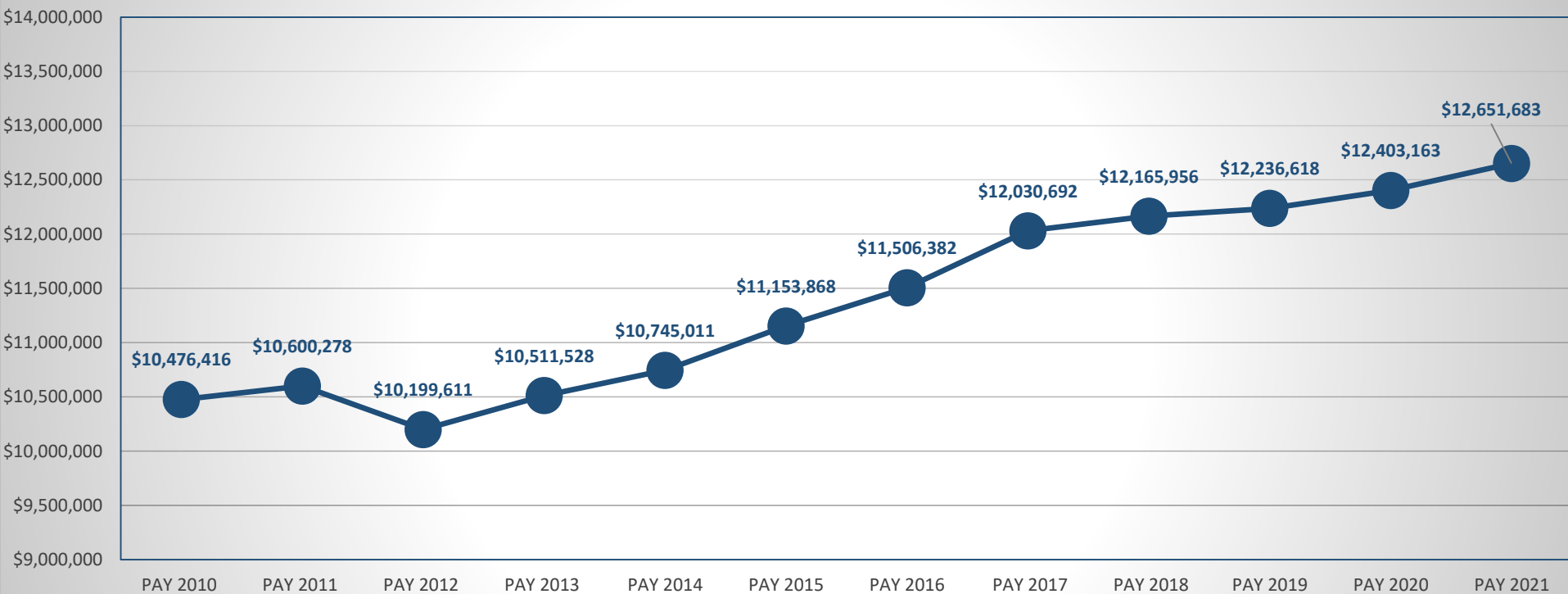


2020 Recap/Looking Ahead
Tax Capacity, Rates, Comparisons
Tax Rates and Property Tax Impacts
Historical Tax Levy
2021 Tax Levy and General Fund Impacts
Debt Reduction
2021 Tax Levy and General Fund Recommendation

2010-2021 Historical Tax Capacity



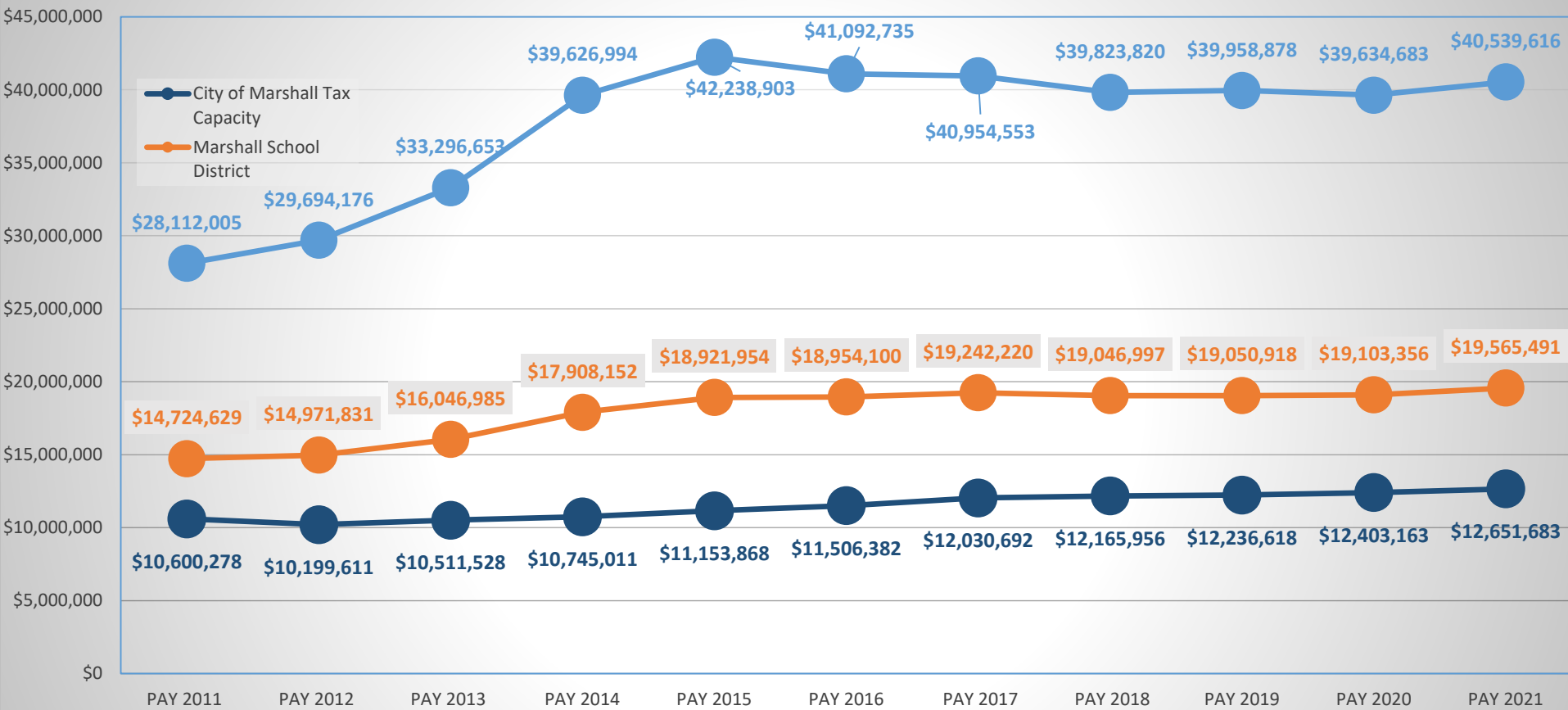
City of Marshall Tax Capacity August Projections (prior to TIFF)



PRELIMINARY

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

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

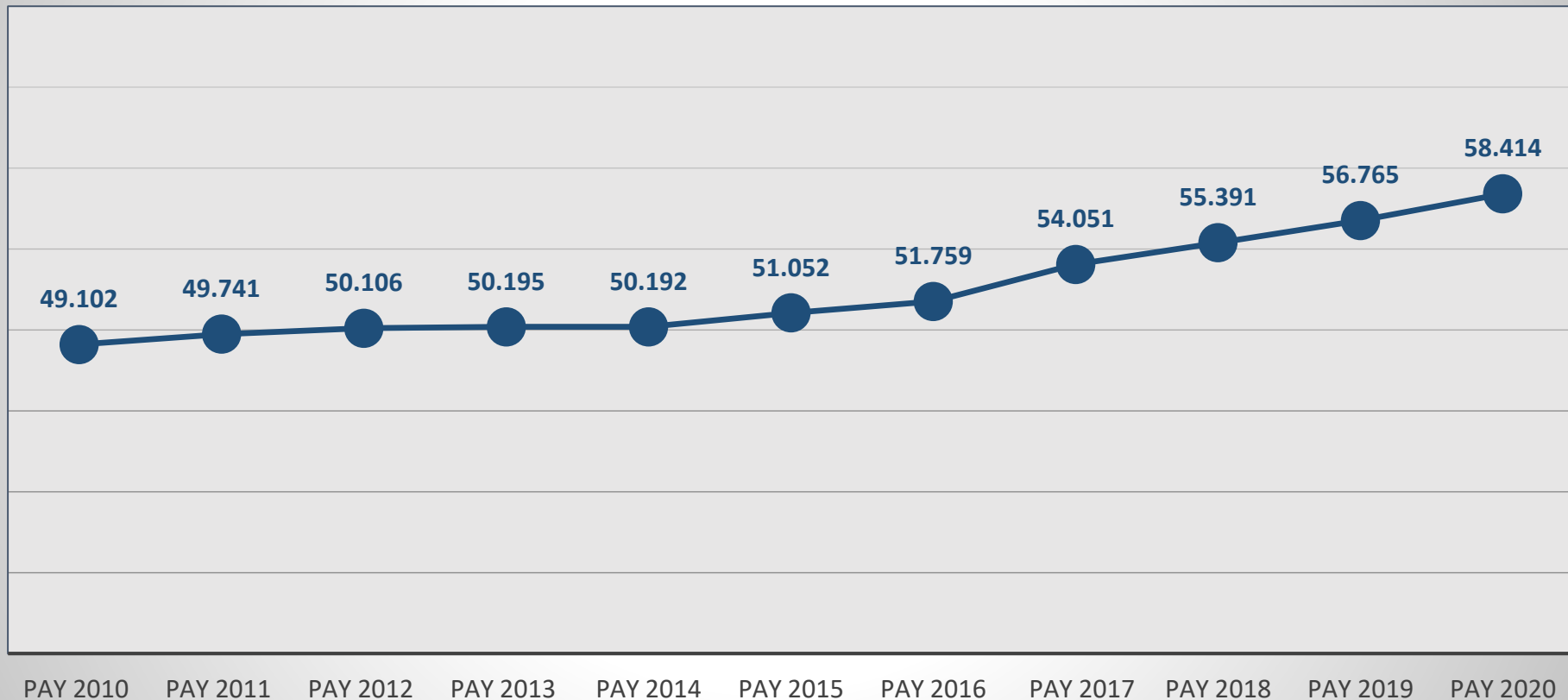


PRELIMINARY



2010-2020 Historical Tax Extension Rate

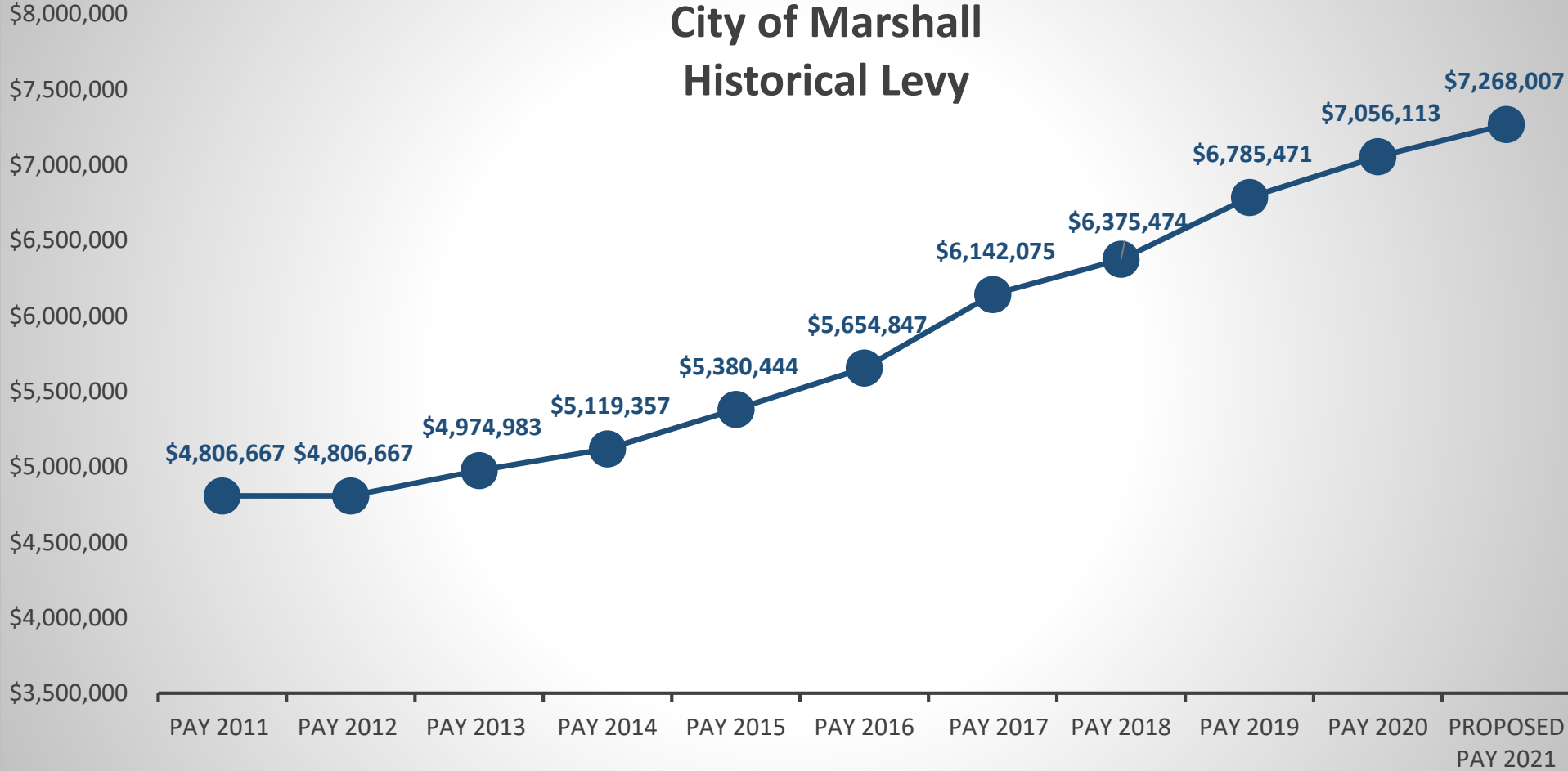
Historical Tax Extension Rate
City of Marshall



| 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. | | | | | | | 1 being the highest tax rate & 24 being the lowest | | Does not include any School Referendums or Special Assessments | | |
| 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)

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 |

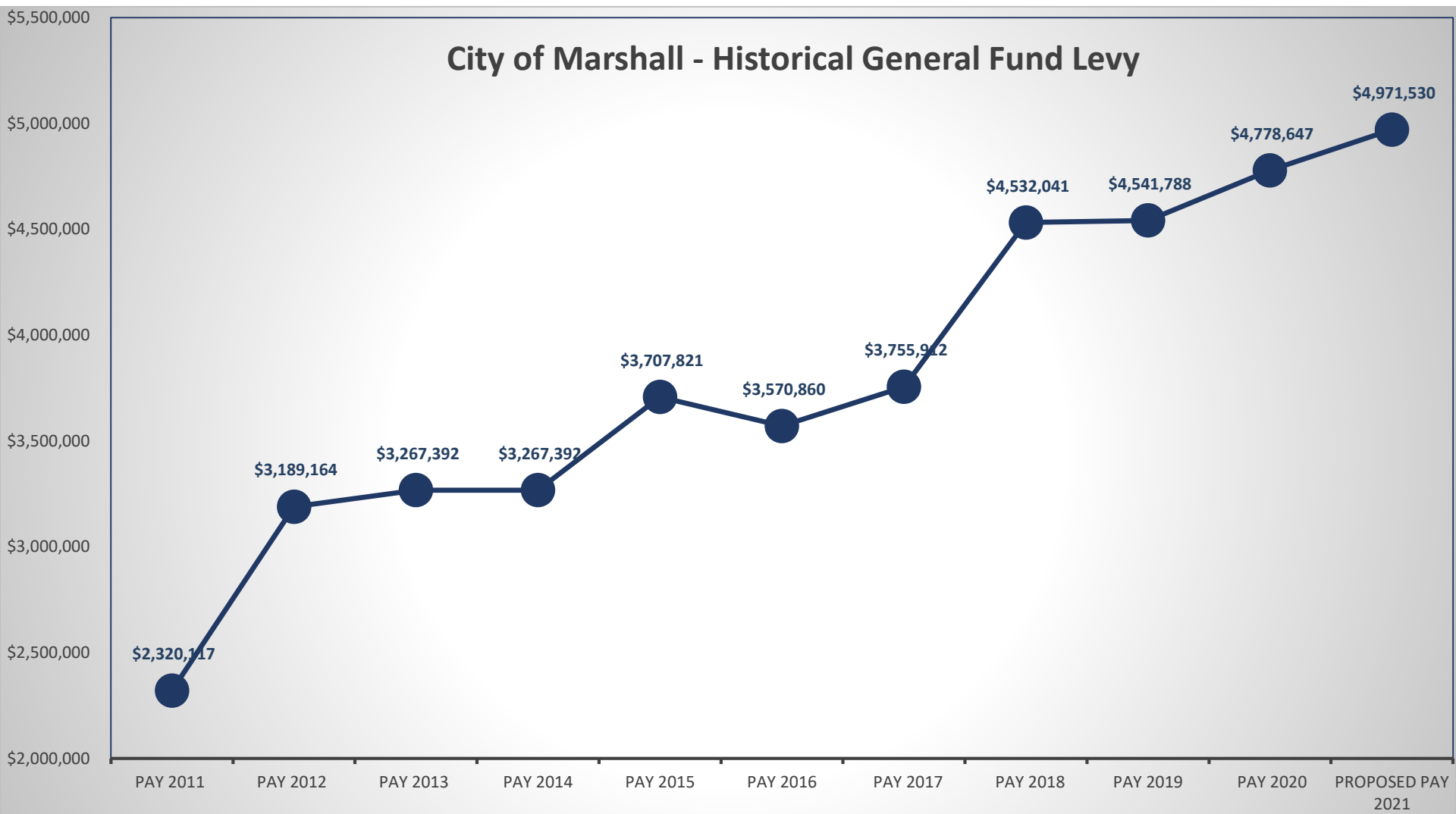


Tax Capacity Increase Percentage and Average

| Payable Year | Levy Tax Capacity (After TIFF Deduction) | Percentage Increase |
|---|---|----------------------------|
| 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 | \$12,241,917 | 1.14% |
| Average Tax Capacity Growth Since 2008 | | 2.84% |

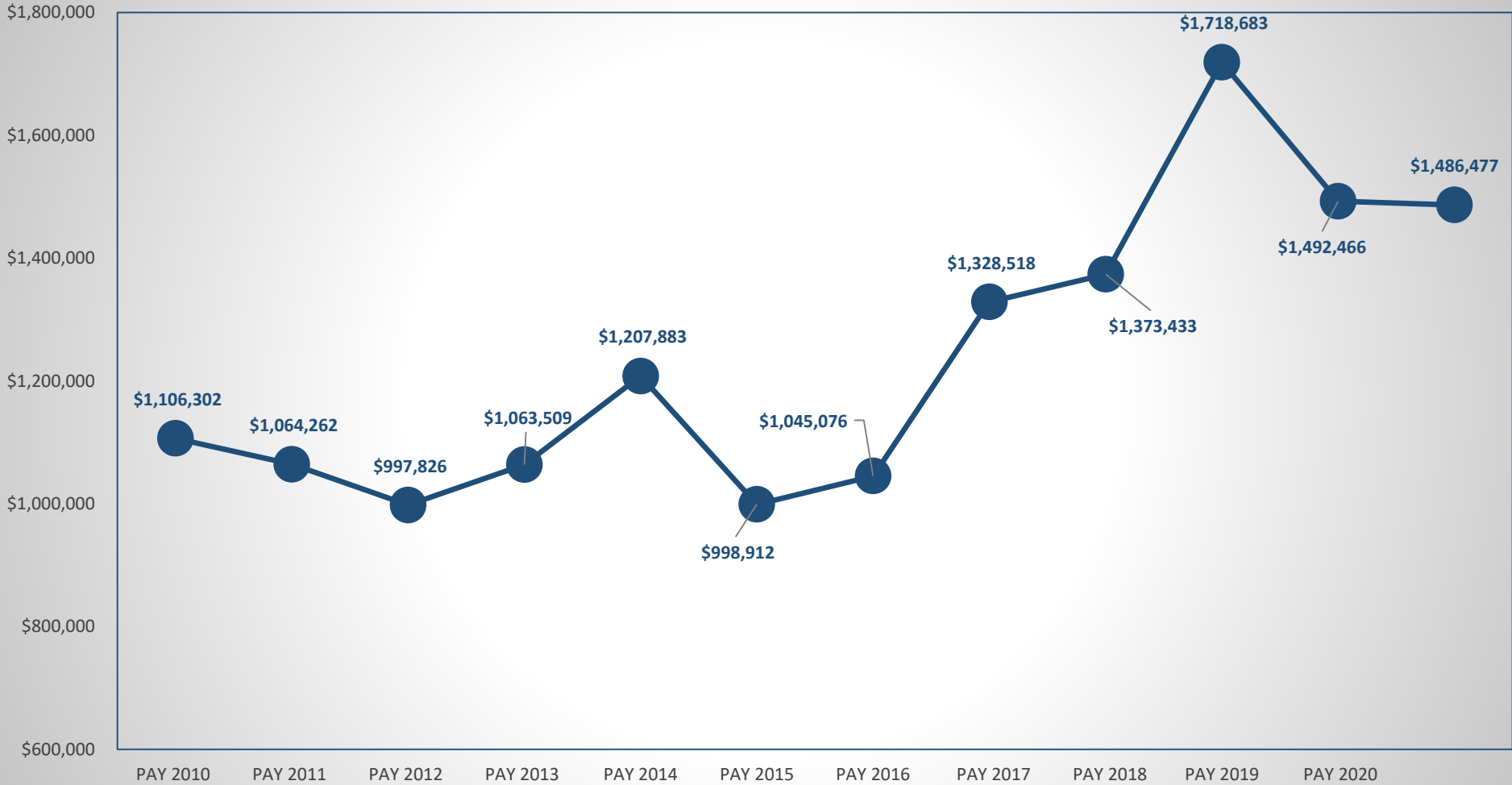


City of Marshall - Historical General Fund Levy





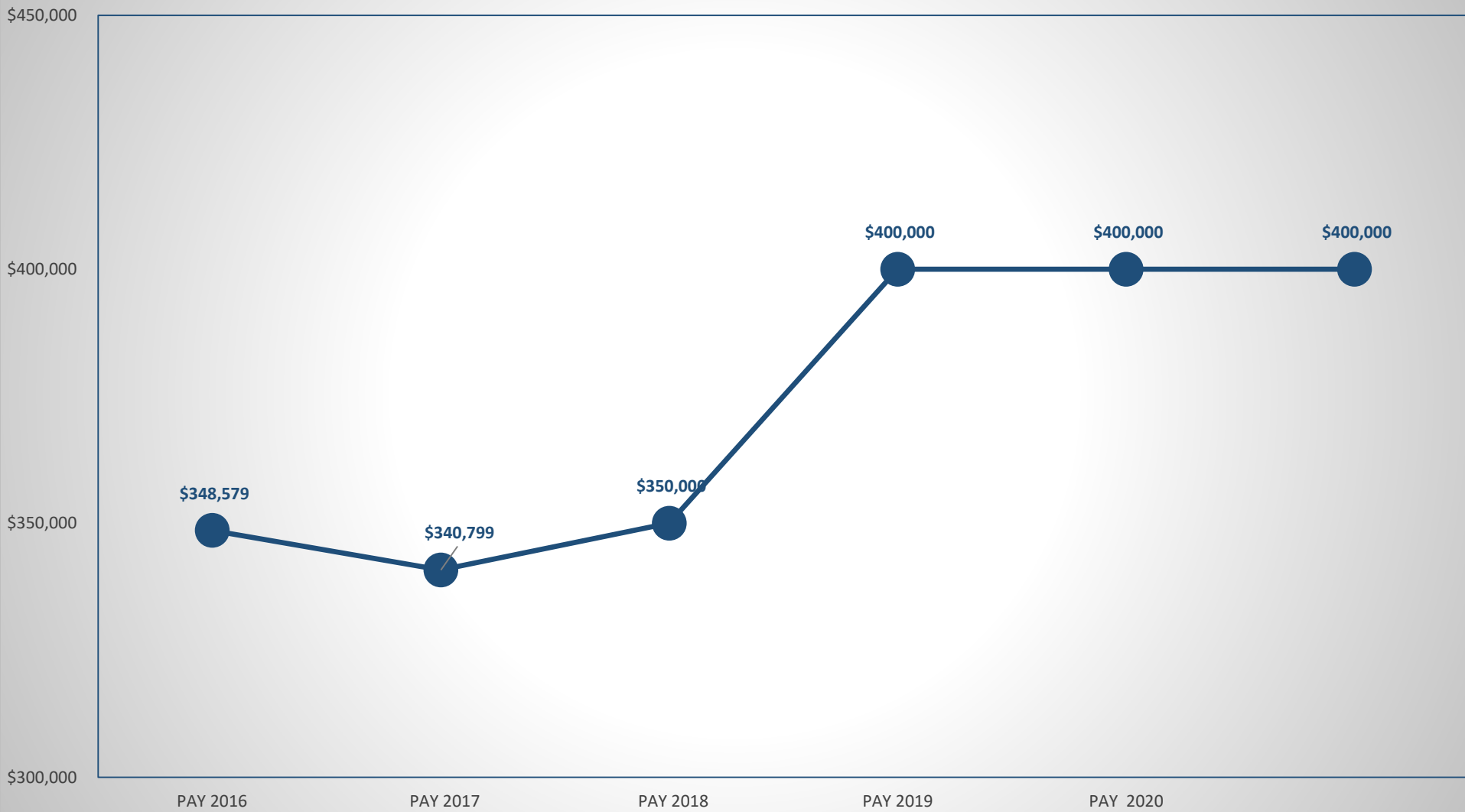
City of Marshall - Debit Service Levy



PROPOSED
PAY 2021

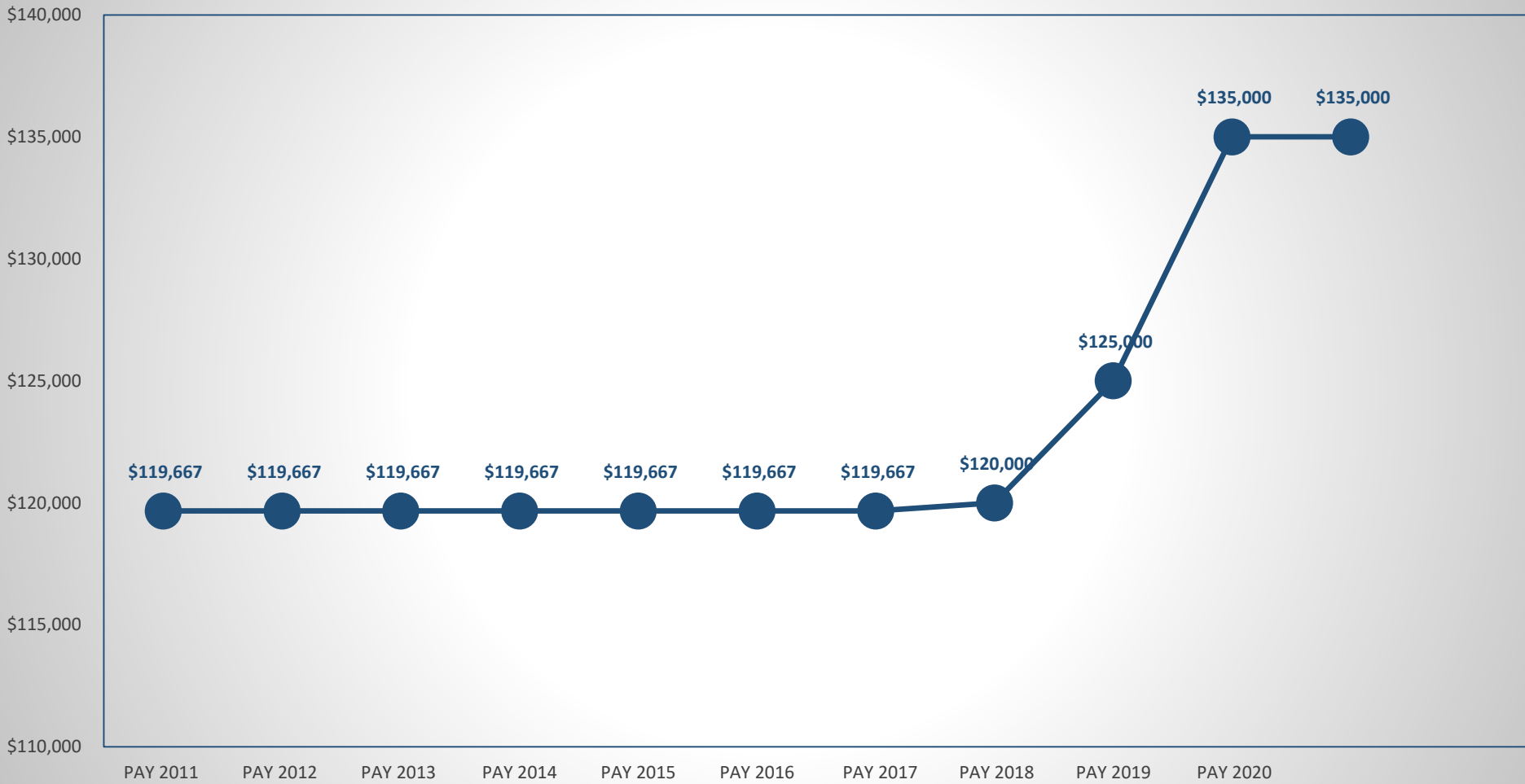


City of Marshall - Capital Improvement Levy





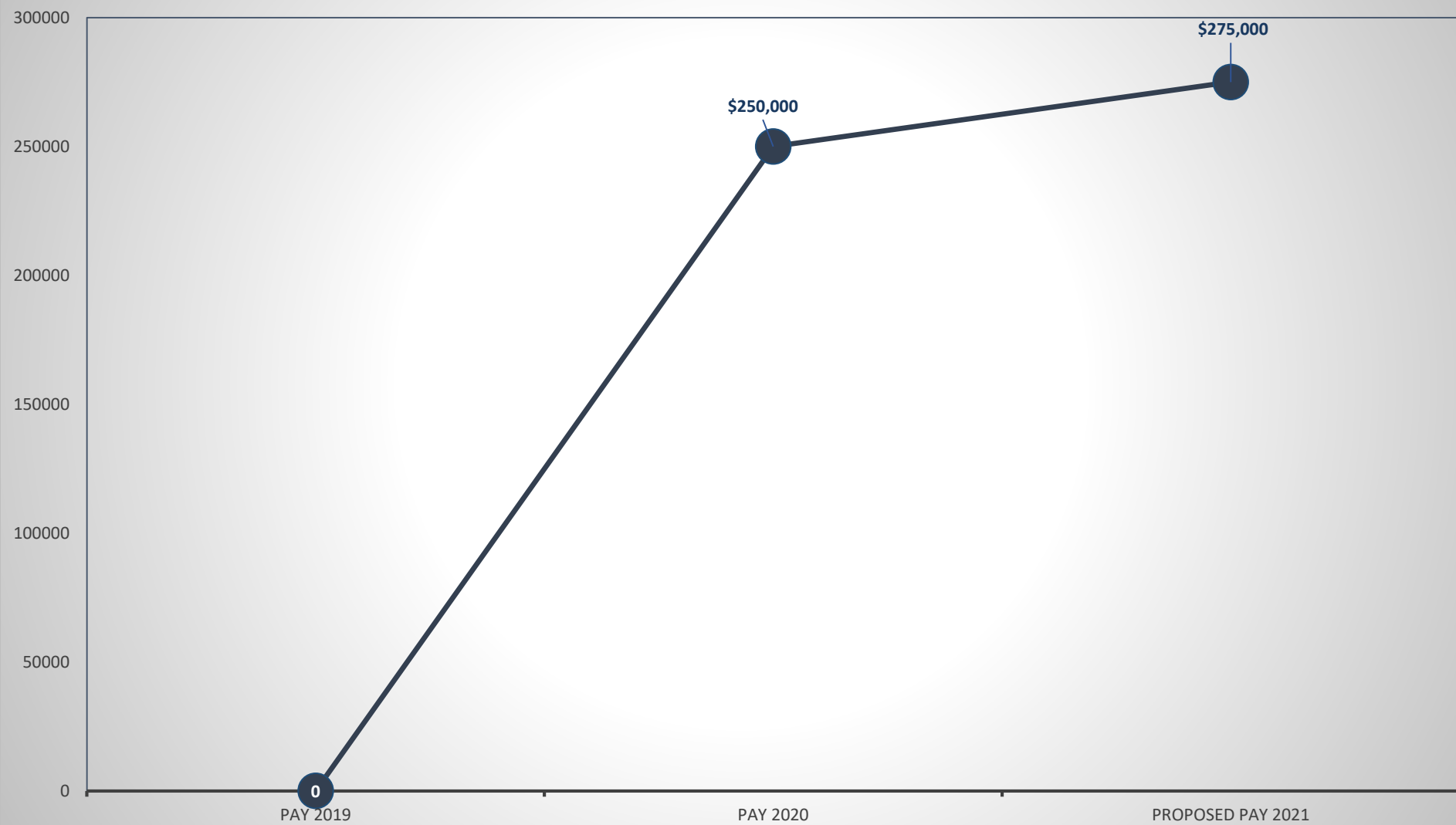
City of Marshall - EDA Levy



PROPOSED
PAY 2021

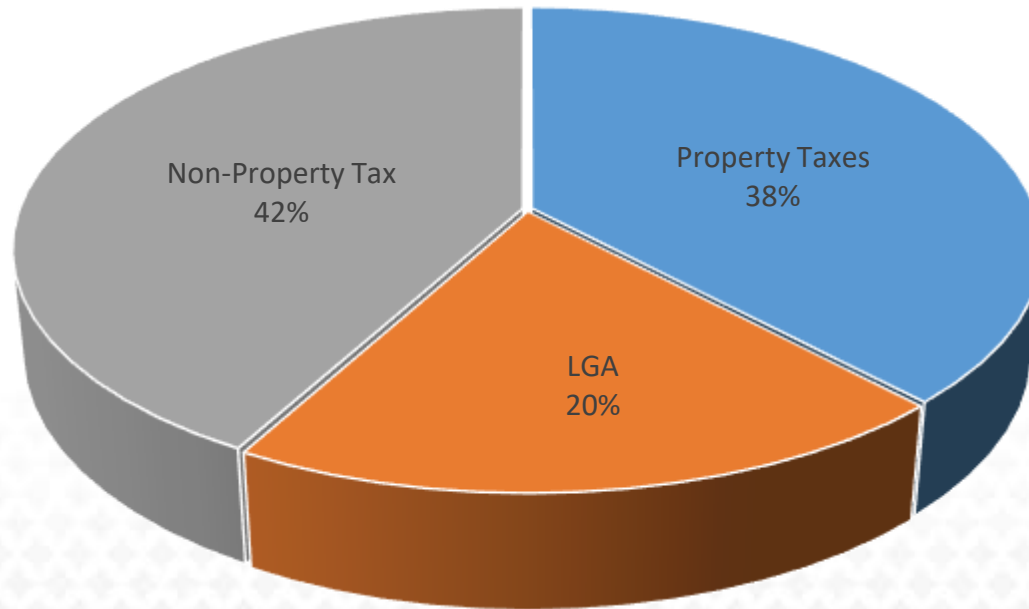


City of Marshall - Street Levy





2021 General Fund Revenues





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



Recommended 2021 Preliminary Levy and General Fund Budget

| | 2020 Levy | 2021 Proposed Levy | % of Levy Increase | |
|---|------------------|--|--------------------|-----------|
| General | 4,778,647 | 4,971,530 | 2.73% | |
| EDA | 135,000 | 135,000 | 0.0% | |
| Capital | 400,000 | 400,000 | 0.0% | |
| Street Capital | 250,000 | 275,000 | 0.35% | |
| Debt | 1,492,466 | 1,486,477 | -0.08% | |
| Tax Levy | 7,056,113 | 7,268,007 | 3.00% | |
| | | How does this impact Property Taxes? <i>*City Portion Only</i> | | |
| | | Homesteaded Residential Property | | |
| Levy Increase | 3.00% | 100,000 | 150,000 | 300,000 |
| Capacity Growth Rate | 1.98% | \$18 | \$33 | \$75 |
| Levy Increase & Capacity Growth Rate Difference | 1.08% | Commercial Property | | |
| | | 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

LGA Uncertainty

Levy Limits

Questions?



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