

2020 Budget Preliminary Discussion



Agenda

Historical Tax Capacity

Historical Tax Rates

Comparisons

Tax Rates and Property Tax Impacts

Historical Tax Levy and General Fund

2020 Tax Levy and General Fund Impacts

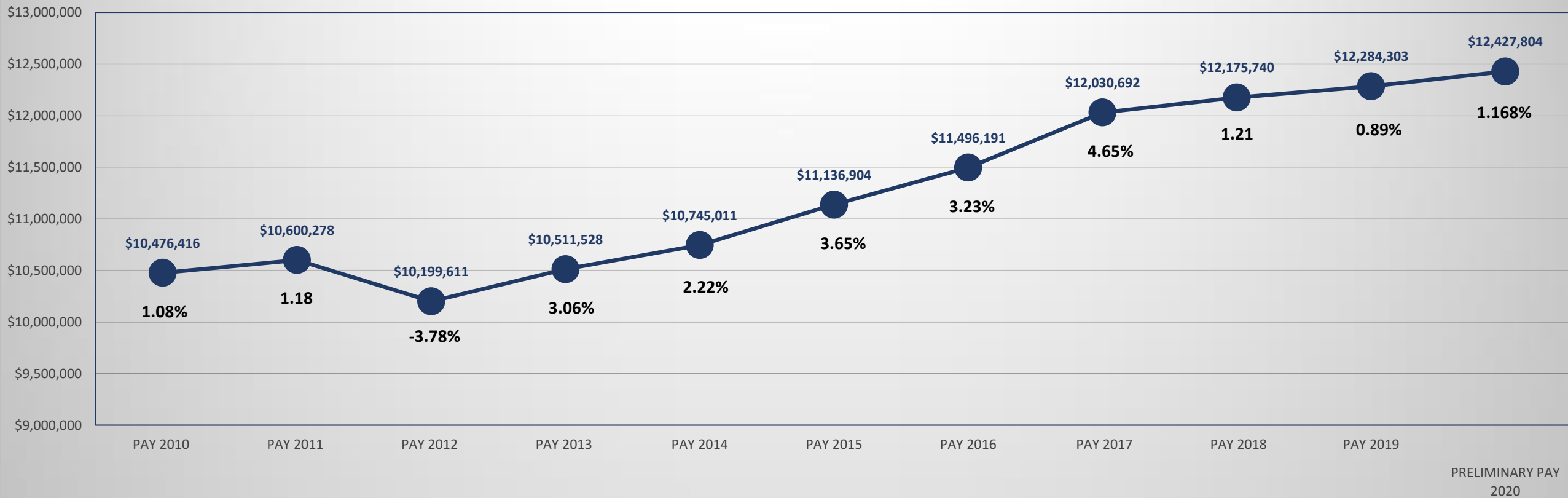
2020 Tax Levy and General Fund Recommendation

Capacity, Rates, Comparisons

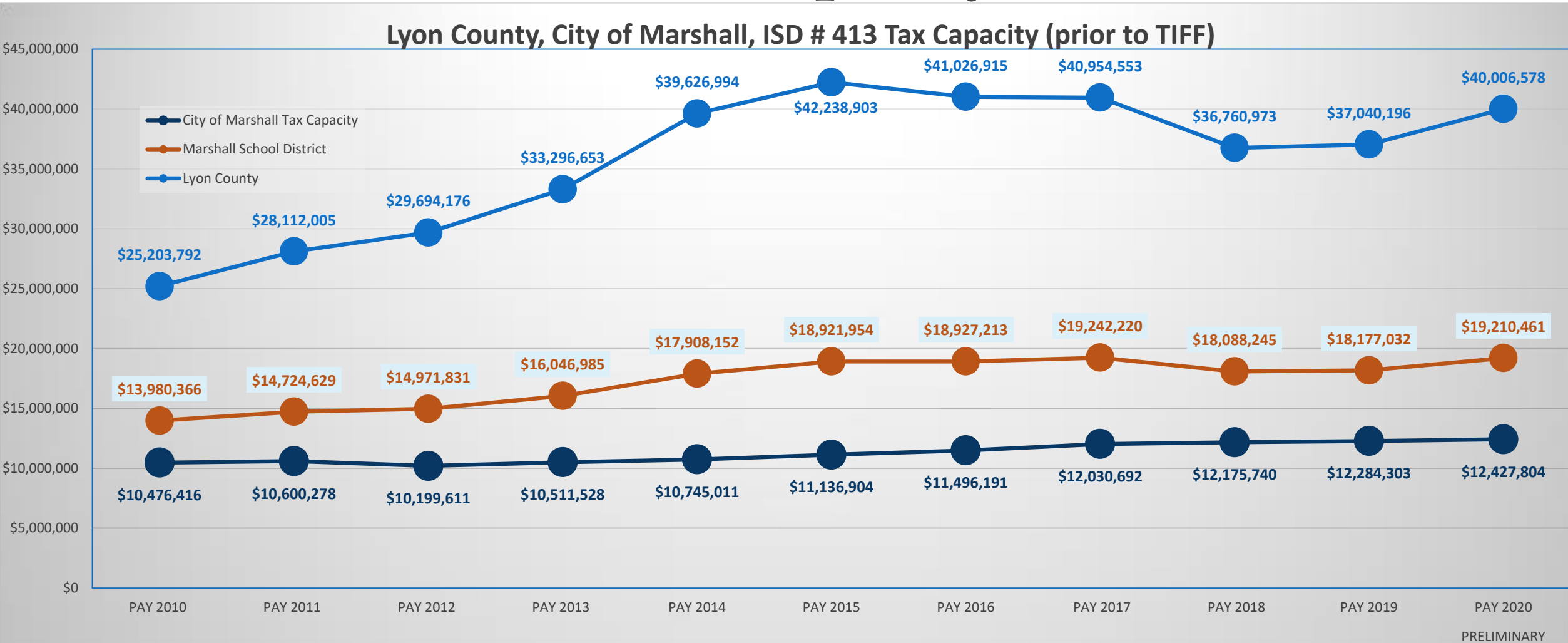
COUNTY ASSESSMENT SUMMARY WITH TAX CAPACITY VALUES												
CITY OF MARSHALL												
CODE	DESCRIPTION	2018/19 COUNT	2019/20 COUNT	2018 / 2019 MARKET VALUE	2019/2020 MARKET VALUE	% OF CHNAGE	2018 / 2019 TAXABLE MARKET VALUE	2019/2020 TAXABLE MARKET VALUE	% OF CHNAGE	2018/2019 TAX CAPACITY VALUE	2019/2020 TAX CAPACITY	% OF CHNAGE
101	AGRICULTURE	53	53	7,402,000	7,117,700	-3.99%	6,467,132	6,230,800	-3.79%	63,886	62,308	-2.53%
151	SEASONAL REC RESIDENTIAL	1	1	181,200	181,200	0.00%	181,200	181,200	0.00%	1,812	1,812	0.00%
200	RESIDENTIAL VACANT LAND	294	297	9,621,100	9,497,000	-1.31%	9,605,800	9,497,000	-1.15%	120,129	118,775	-1.14%
201	RESIDENTIAL / SINGLE UNIT	3420	3412	499,575,800	518,024,600	3.56%	436,195,321	454,852,611	4.10%	4,358,662	4,544,632	4.09%
202	RES X-TRA FULL HOMESTEAD	63	61	13,735,200	13,429,500	-2.28%	12,656,717	12,398,713	-2.08%	126,566	123,716	-2.30%
203	RESIDENTIAL TRIPLEX	35	35	5,401,400	5,444,600	0.79%	4,686,046	4,731,321	0.96%	46,863	47,314	0.95%
204	1 TO 3 UNIT DWELLING	137	137	15,204,300	15,843,400	4.03%	15,204,300	15,843,400	4.03%	190,074	198,060	4.03%
205	4 OR MORE UNITS	142	147	60,291,400	61,577,700	2.09%	60,291,400	61,577,700	2.09%	753,658	769,737	2.09%
217	QUALIFING 4D LOW INCOME	12	12	11,379,800	11,208,700	-1.53%	11,379,800	11,208,700	-1.53%	85,349	84,067	-1.52%
225	BED & BREAKFAST < 6 UNIT	1	1	34,000	35,500	4.23%	34,000	35,500	4.23%	425	444	4.28%
230	LAND/BULD - P UTILITY	1	1	7,037,400	6,761,300	-4.08%	7,037,400	6,761,300	-4.08%	139,998	134,476	-4.11%
233	COMM LAND & BUILDING	373	365	197,999,200	197,593,600	-0.21%	197,999,200	197,593,600	-0.21%	3,728,764	3,723,311	-0.15%
234	INDUST LAND/BULDINGS	88	87	73,800,300	73,861,400	0.08%	73,800,300	73,861,400	0.08%	1,422,757	1,424,136	0.10%
235	RR LAND BUILDINGS	1	1	3,376,700	2,515,300	-34.25%	3,376,700	2,515,300	-34.25%	66,784	49,556	-34.76%
240	LAND/BULD - P UTILITY	3	3	768,200	729,700	-5.28%	768,200	729,700	-5.28%	14,914	13,844	-7.73%
243	COMM LAND & BUILDING	186	197	26,818,100	27,705,800	3.20%	26,818,100	27,705,800	3.20%	528,315	547,540	3.51%
244	INDUST LAND/BULDINGS	54	63	24,949,000	22,799,100	-9.43%	24,949,000	22,799,100	-9.43%	497,814	454,258	-9.59%
247	MH PARK	3	1	929,000	142,700	-551.02%	929,000	142,700	-551.02%	11,613	1,784	-550.95%
250	EDUCATED MH PARK OWNER	0	2	-	786,300	100.00%	-	786,300	100.00%	-	7,863	100.00%
312	NON-PROF COM SRV - NON REV	2	1	31,300	12,100	-158.68%	31,300	12,100	-158.68%	470	182	-158.24%
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	2,166,700	2,003,500	-8.15%	2,166,700	2,003,500	-8.15%	12,167	10,826	-12.39%
427	TRANSMSN LINES	3	3	379,600	391,100	2.94%	379,600	391,100	2.94%	7,592	7,822	2.94%
431	TOOLS AND MACHINERY	1	1	16,700	26,300	36.50%	16,700	26,300	36.50%	334	526	36.50%
433	AGR RE - LL	2		324,800	-	0.00%	324,800	-	0.00%	3,248	-	0.00%
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	32,400	31,400	-3.18%	32,400	31,400	-3.18%	648	628	-3.18%
445	SYST OF GAS UTILITIES	1	1	2,300	3,900	41.03%	2,300	3,900	41.03%	46	78	41.03%
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	3,328,400	3,263,100	-2.00%	3,328,400	3,263,100	-2.00%	66,568	65,262	-2.00%
TOTAL TAXABLE				966,606,300	982,806,500	1.676%	900,481,816	917,003,545	1.835%	12,284,303	12,427,804	1.168%

2010-2019 Historical Tax Capacity

City of Marshall Tax Capacity (prior to TIFF)

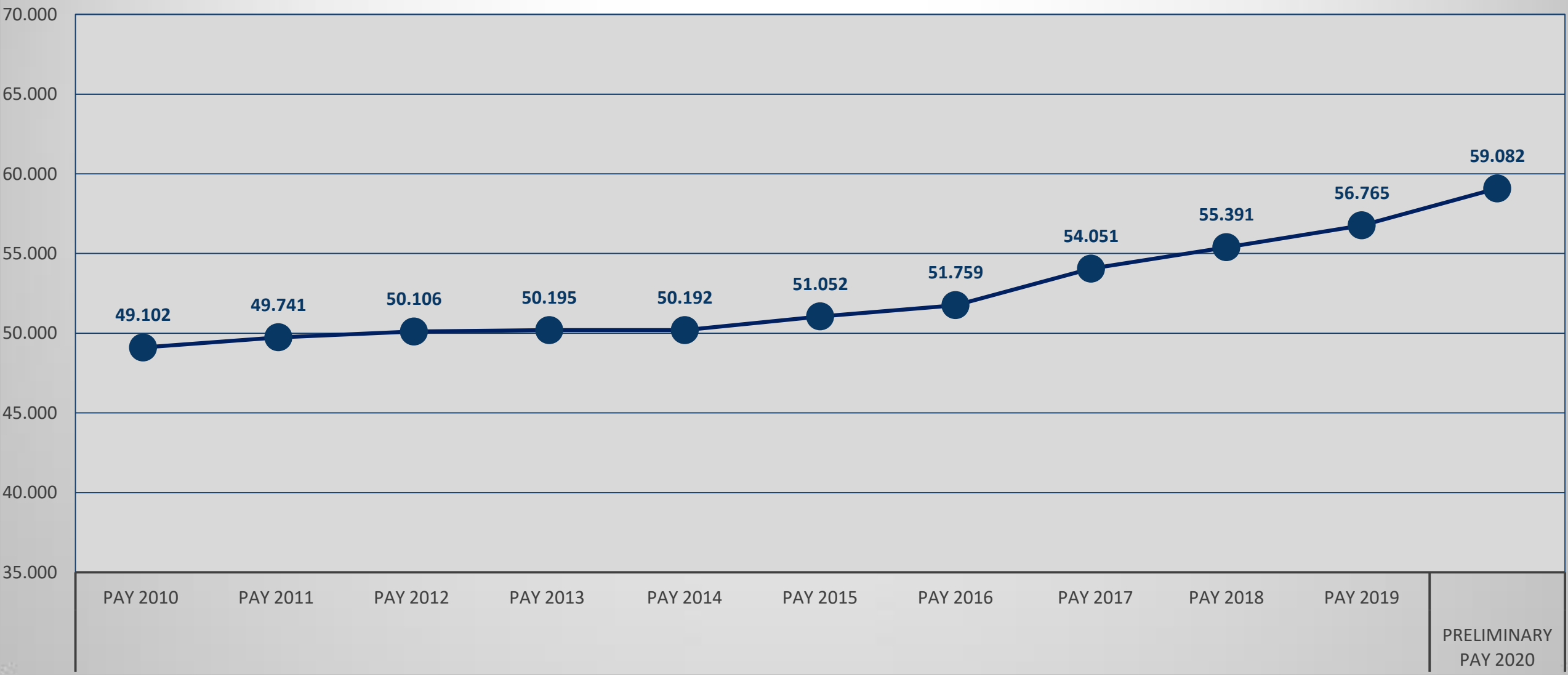


Lyon County, City of Marshall, ISD #413 Tax Capacity

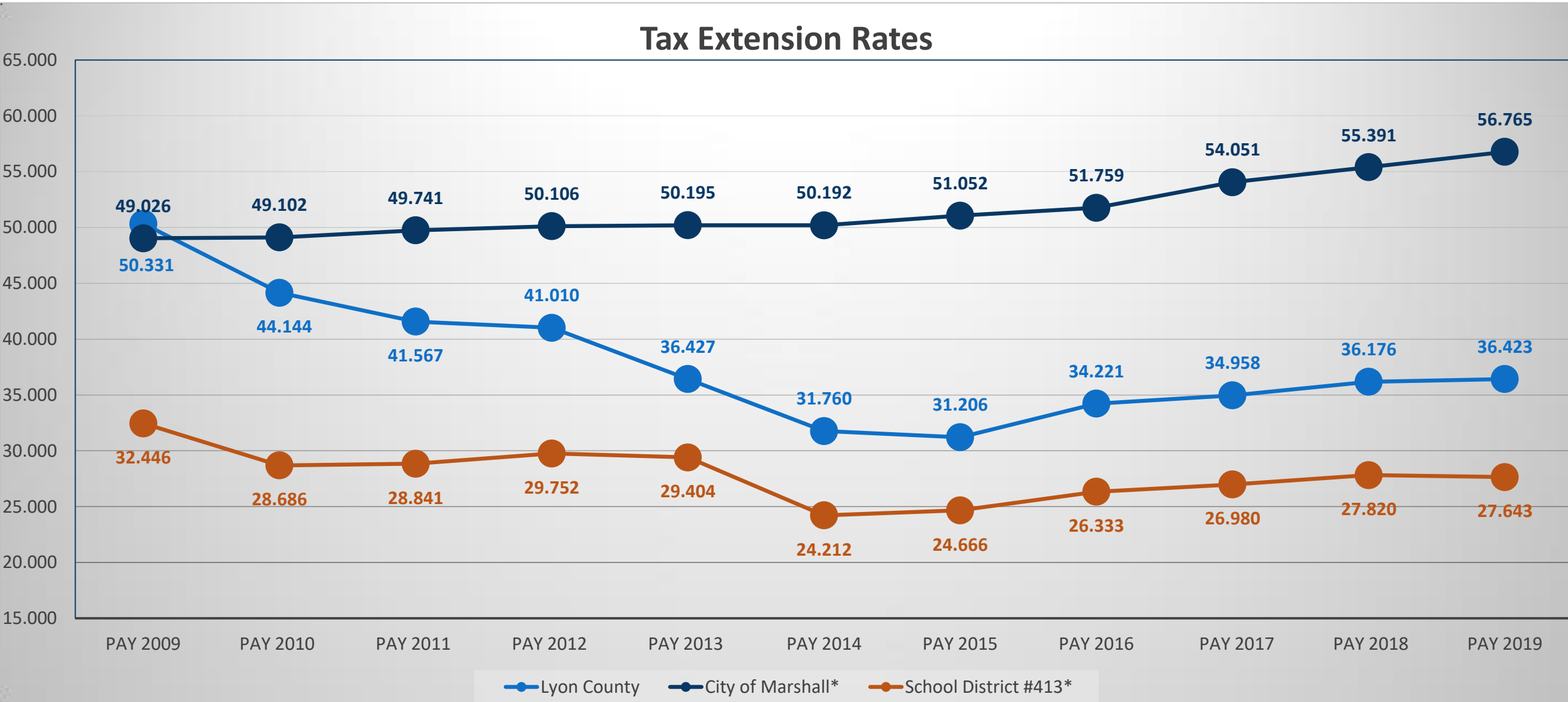


2010-2019 Historical Tax Extension Rate

Historical Tax Extension Rate
City of Marshall



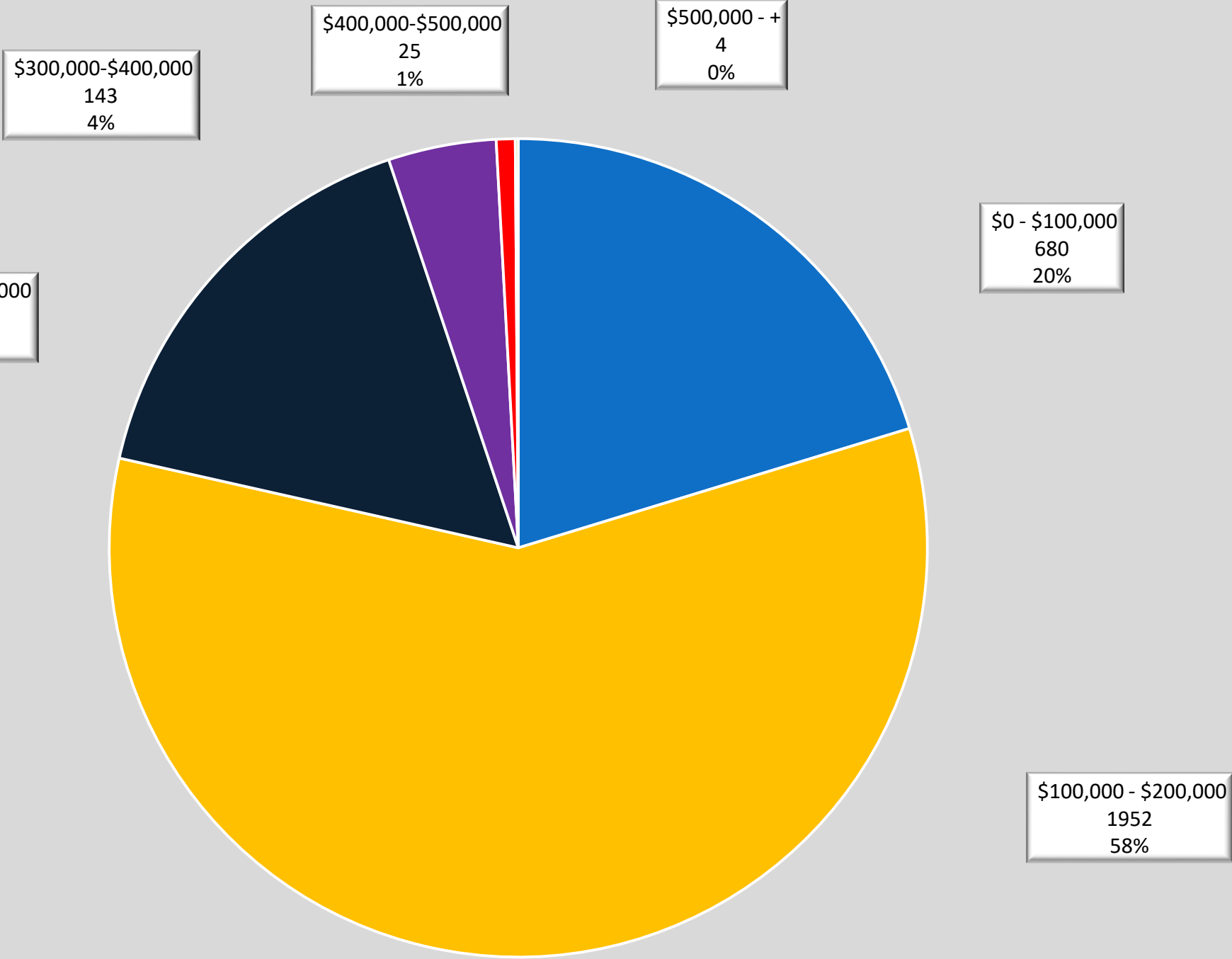
Lyon County, City of Marshall, ISD #413 Tax Rate



2019 TAX RATE COMPARISON							How does Marshall Rank?		What does this mean in Tax Dollars? <i>IF</i> you lived or owned in the following communities this is what you could expect to pay in Taxes		
							<u>1 being the highest tax rate & 24 being the least</u>		<i>Does not include any School Referndums 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 House	\$500,000 Commercial Property (including State General Tax)	City
Tracy	Lyon	2,060	176.3940	34.6004	5.2190	216.3640	1	2	\$3,912	\$23,301	Tracy
Minneota	Lyon	1,362	98.7140	35.9880	24.2390	160.2890	3	4	\$2,898	\$18,114	Minneota
Pipestone	Pipestone	4,106	97.8530	34.7910	11.7160	144.5160	4	10	\$2,613	\$16,655	Pipestone
Balaton	Lyon	643	173.0790	36.9990	6.7440	216.9690	2	1	\$3,923	\$23,357	Balaton
Luverne	Rock	4,658	60.0450	21.9860	18.6140	100.7890	14	25	\$1,822	\$12,610	Luverne
Redwood Falls	Redwood	5,015	88.8200	34.8460	27.3630	150.8440	7	9	\$2,727	\$17,240	Redwood Falls
Waseca	Waseca	9,410	92.6040	64.2440	33.3580	193.8940	5	3	\$3,506	\$21,222	Waseca
Cottonwood	Lyon	1,230	91.5110	37.5340	22.0760	152.4690	6	5	\$2,757	\$17,391	Cottonwood
Brainerd	Crow Wing	13,349	80.3850	32.0004	29.8030	144.0440	8	11	\$2,604	\$16,611	Brainerd
New Ulm	Brown	13,342	78.0620	39.8160	20.6700	139.9390	9	13	\$2,530	\$16,232	New Ulm
Glenwood	Pope	2,564	70.1200	43.7120	16.9460	133.0529	10	14	\$2,406	\$15,595	Glenwood
Fairbault	Rice County	23,352	57.5030	39.5150	14.9410	112.0590	17	23	\$2,026	\$13,653	Fairbault
Hutchinson	McLeod	13,888	67.0450	57.8820	23.5500	152.0630	11	7	\$2,749	\$17,353	Hutchinson
Owatonna	Steele	25,599	63.2830	60.6670	27.6500	151.6000	12	8	\$2,741	\$17,310	Owatonna
Albert Lea	Freeborn	17,677	61.9080	59.6970	27.3720	152.1170	13	6	\$2,750	\$17,358	Albert Lea
Fergus Falls	Otter Tail	13,419	58.6010	42.4130	22.6800	123.6340	16	18	\$2,235	\$14,723	Fergus Falls
Northfield	Dakota	20,007	56.2160	22.9940	31.1640	115.0810	19	22	\$2,081	\$13,932	Northfield
St. Peter	Nicolett	11,692	50.1480	54.0320	38.0720	142.7170	23	12	\$2,580	\$16,489	St. Peter
Wilmar	Kandiyohi	19,558	38.0760	59.1500	16.4830	130.5400	25	15	\$2,360	\$15,362	Wilmar
Marshall	Lyon	13,664	56.7650	36.4230	27.6430	120.9780	18	20	\$2,187	\$14,478	Marshall
Northfield	Rice County	20,007	59.4400	39.5240	31.0960	130.2820	15	16	\$2,355	\$15,338	Northfield
North Mankato	Nicolett	13,619	50.9500	54.0490	22.4410	127.9050	22	17	\$2,313	\$15,118	North Mankato
Fairmont	Martin	10,666	55.6870	39.9930	25.2420	121.3160	20	19	\$2,193	\$14,509	Fairmont
Worthington	Nobels	13,136	52.1630	34.0100	18.9300	120.4040	21	21	\$2,177	\$14,425	Worthington
Alexandria	Douglas	13,568	40.4720	46.9950	22.7580	111.1897	24	24	\$2,010	\$13,572	Alexandria

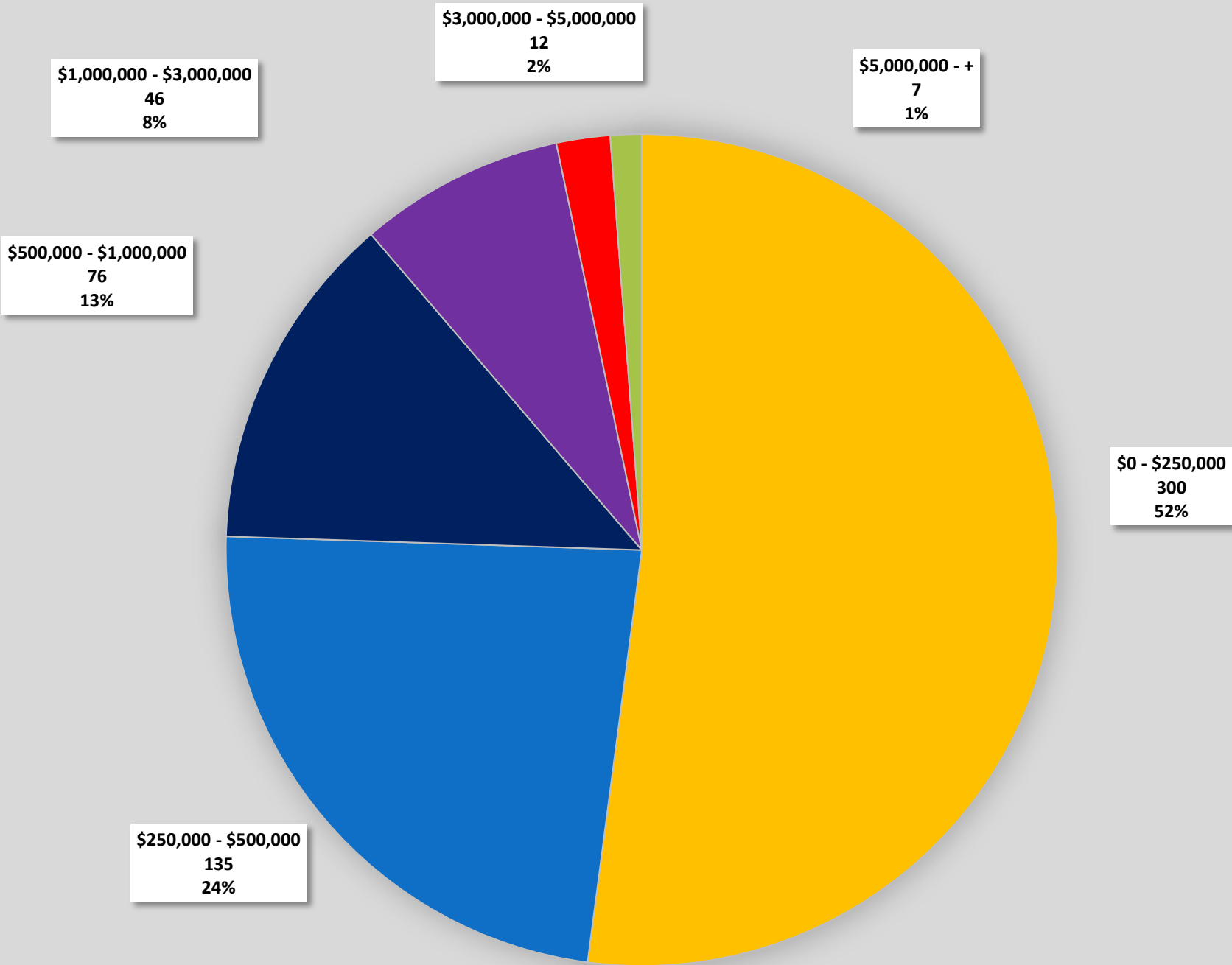
OF HOMES PER RANGE OF EMV

- \$0 - \$100,000
- \$100,000 - \$200,000
- \$200,000 - \$300,000
- \$300,000-\$400,000
- \$400,000-\$500,000
- \$500,000 - +

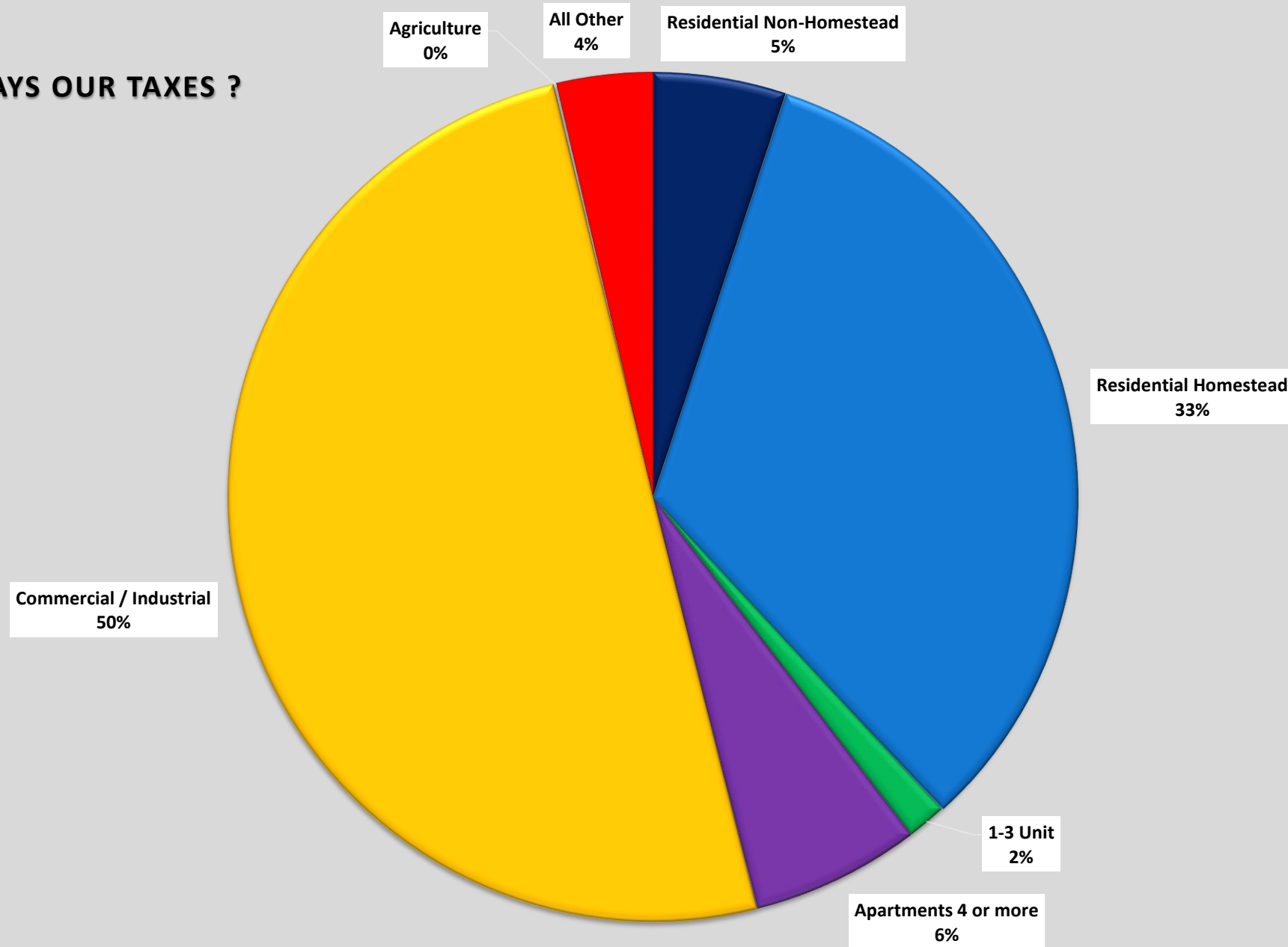


OF COMMERCIAL/INDUSTRIAL
WITH RANGE OF EMV

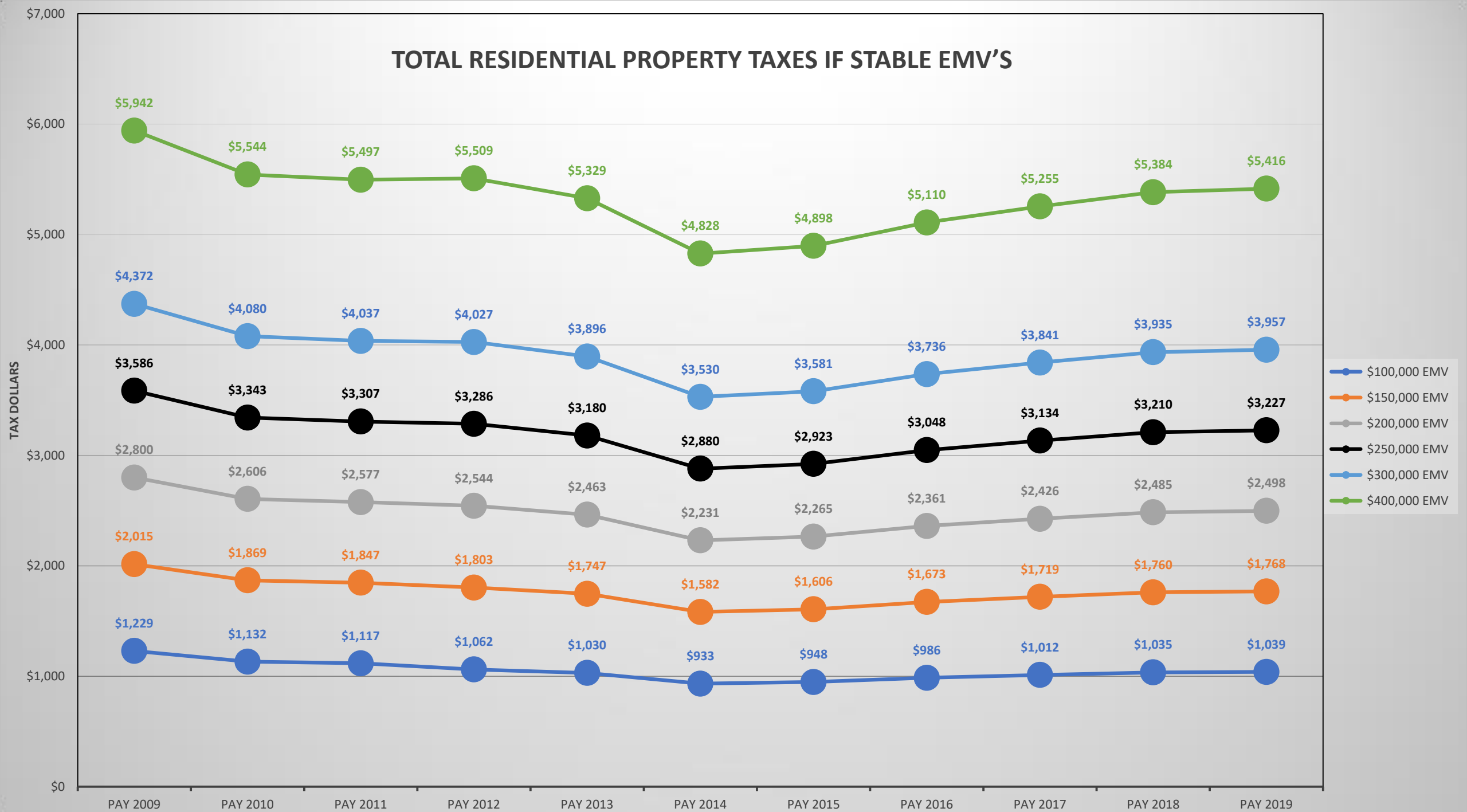
- \$0 - \$250,000
- \$250,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- \$3,000,000 - \$5,000,000
- \$5,000,000 - +



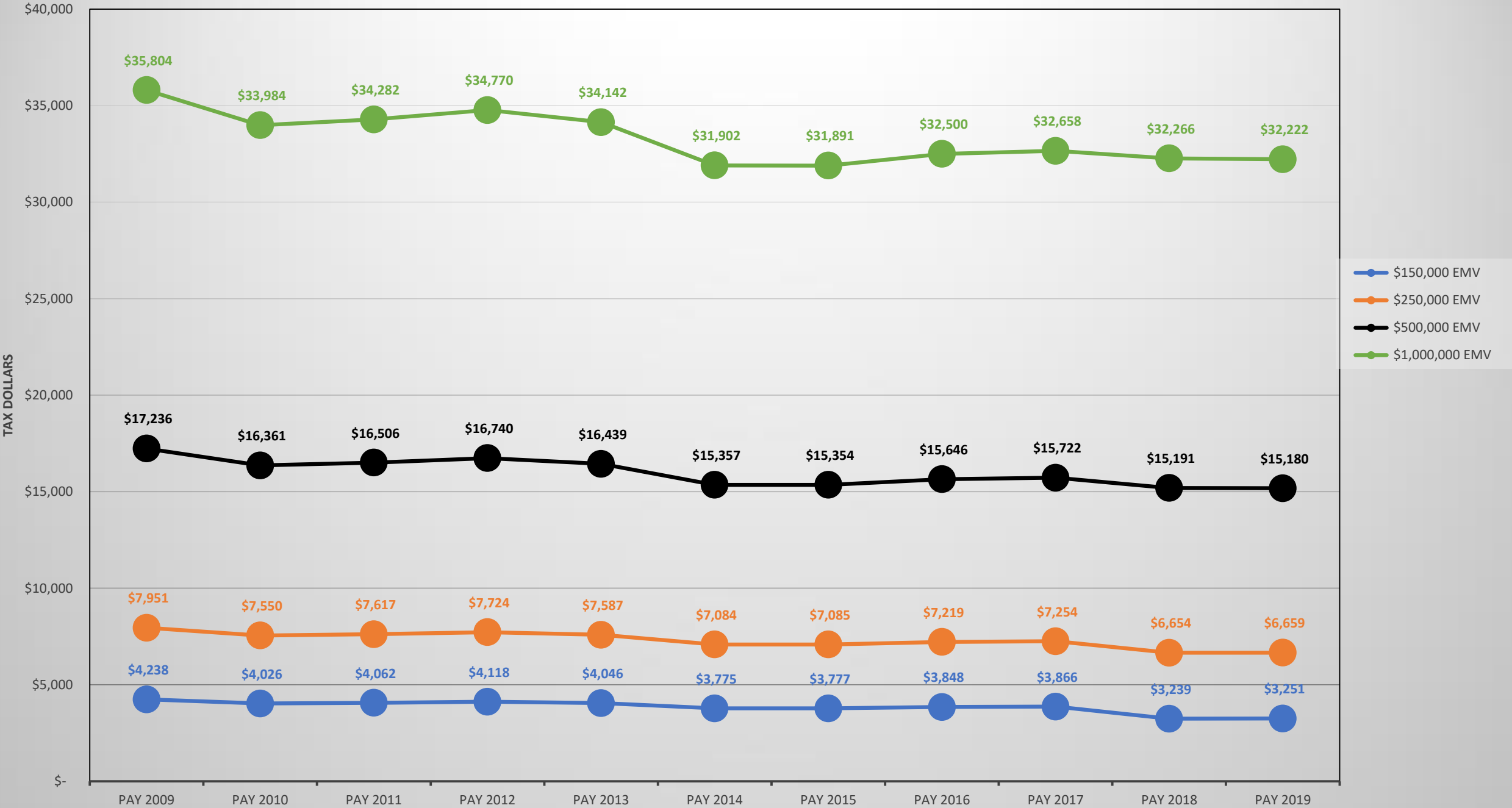
WHO PAYS OUR TAXES ?



TOTAL RESIDENTIAL PROPERTY TAXES IF STABLE EMV'S



TOTAL COMMERCIAL/INDUSTRIAL PROPERTY TAXES IF STABLE EMV'S



2020 BUDGET CONSIDERATIONS

Budget Timelines

July 23, 2019-Capital Improvement Funds

August 13, 2019-Community Requests, Preliminary Budget Discussion

August 27, 2019-Liquor Store Fund, Not to Exceed Levy Discussion

September 10, 2019-City Council will set preliminary levy, set TNT date

December ____Truth in Taxation Meeting

December 10 or 17, 2019 Adopt final levy and budget

Budget/Levy Impacts

2020 Tax Levy Impacts

Revenue

- Local Government Aid Increase

- PERA Credit

- Overall \$100,000 new revenue equates to 1.4% reduction in levy

Personnel

- 3.25% COLA

- 8.5% Health Insurance (4.25% Budgeted)

- Addition of Streets Employee

Capital Improvement Plan/Bonding

- Overall Decrease from 2019 to 2020

- Future Debt Reduction-Street Overlays-equates to 3.68% increase in levy

- City Hall Revenue from 2019 and Future Existing Revenue

- Body Cameras

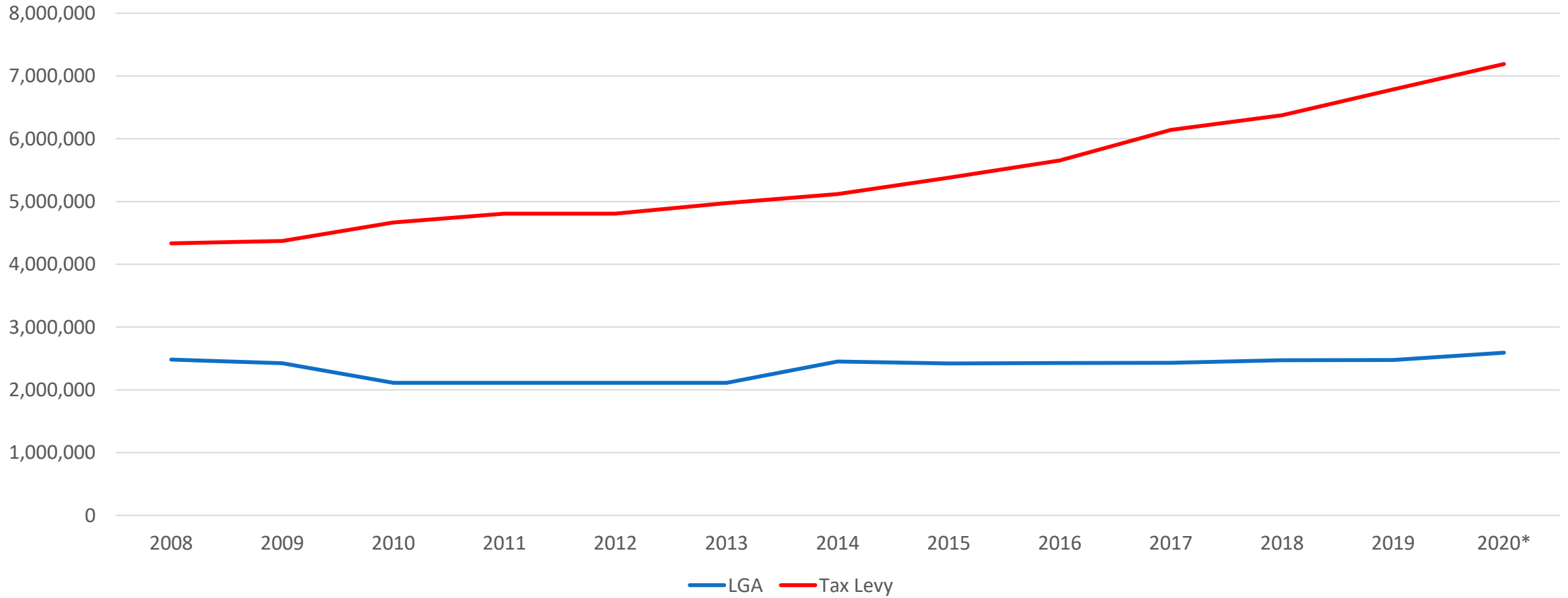
Other

- Increase in Library Funding

- Increase in Streets-Equipment Rental, Snow Hauling

- Compensation Study

City of Marshall
Local Gov. Aid vs. Tax Levy
2008-2020



*Proposed Tax Levy

Historical Tax Levy Increase Percentage and Average

Year	Levy Amount	Percentage Increase
2008	\$4,333,275	
2009	\$4,372,584	0.91
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
2106	\$5,654,847	5.10
2017	\$6,142,075	8.62
2018	\$6,375,474	3.80
2019	\$6,785,471	6.43
Average Levy Increase Since 2008		4.19

Tax Capacity Increase Percentage and Average

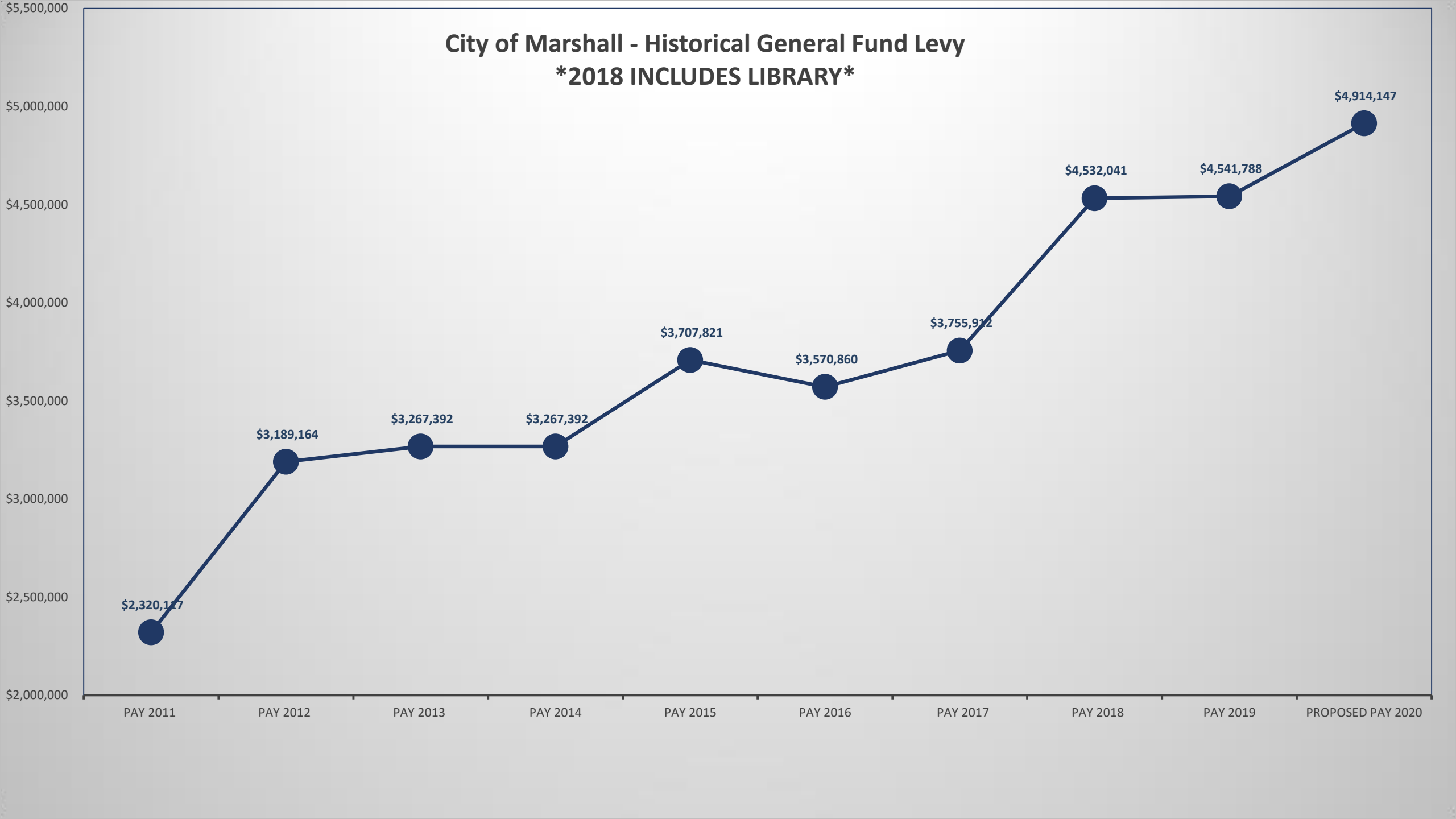
Year	Tax Capacity	Percentage Increase
2008	\$8,520,358	
2009	\$9,061,565	6.35
2010	\$9,506,725	4.91
2011	\$9,663,390	1.65
2012	\$9,605,127	(0.60)
2013	\$9,913,382	3.21
2014	\$10,199,548	2.89
2015	\$10,539,144	3.33
2016	\$10,925,341	3.66
2017	\$11,399,112	4.34
2018	\$11,547,175	1.30
2019	\$12,047,484	4.33
2020	\$12,172,155	1.03
Average Tax Capacity Growth Per Year Since 2008		2.98

2019 Certified Levies-Comparable Cities

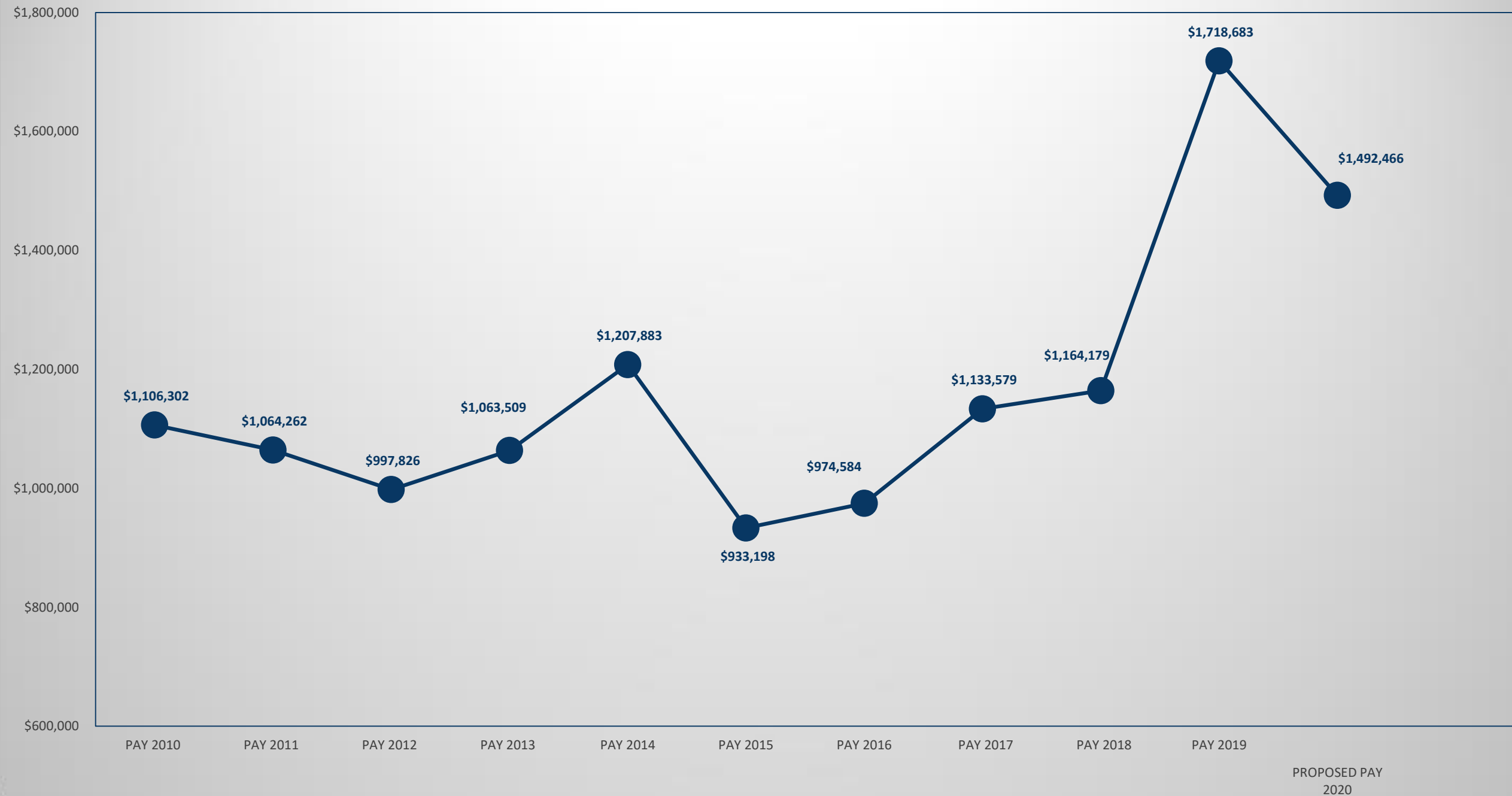
Certified City Levy Changes for CY 2019					
February 28, 2019					
		Pay 2018	Pay 2019	\$ Change	% Change
		Final	Certified	Levy	Levy
CITY NAME	COUNTY	Levy	Levy		
TOTALS		56,640,756	59,488,584	2,847,828	5.0%
BEMIDJI	BELTRAMI COUNTY	5,752,739	5,867,794	115,055	2.0%
BRAINERD	CROW WING COUNTY	5,561,860	5,895,572	333,712	6.0%
CLOQUET	CARLTON COUNTY	3,037,000	2,991,500	(45,500)	-1.5%
HUTCHINSON	MCLEOD COUNTY	7,113,466	7,310,005	196,539	2.8%
NEW ULM	BROWN COUNTY	7,066,672	7,536,527	469,855	6.6%
NORTH MANKATO	NICOLLET COUNTY	6,288,751	6,683,838	395,087	6.3%
MARSHALL	LYON COUNTY	6,375,474	6,785,471	409,997	6.4%
SAUK RAPIDS	BENTON COUNTY	3,805,900	3,980,600	174,700	4.6%
ST PETER	NICOLLET COUNTY	2,701,655	2,988,590	286,935	10.6%
WILLMAR	KANDIYOHI COUNTY	4,974,245	5,250,000	275,755	5.5%
WORTHINGTON	NOBLES COUNTY	3,962,994	4,198,687	235,693	5.9%

City of Marshall - Historical General Fund Levy

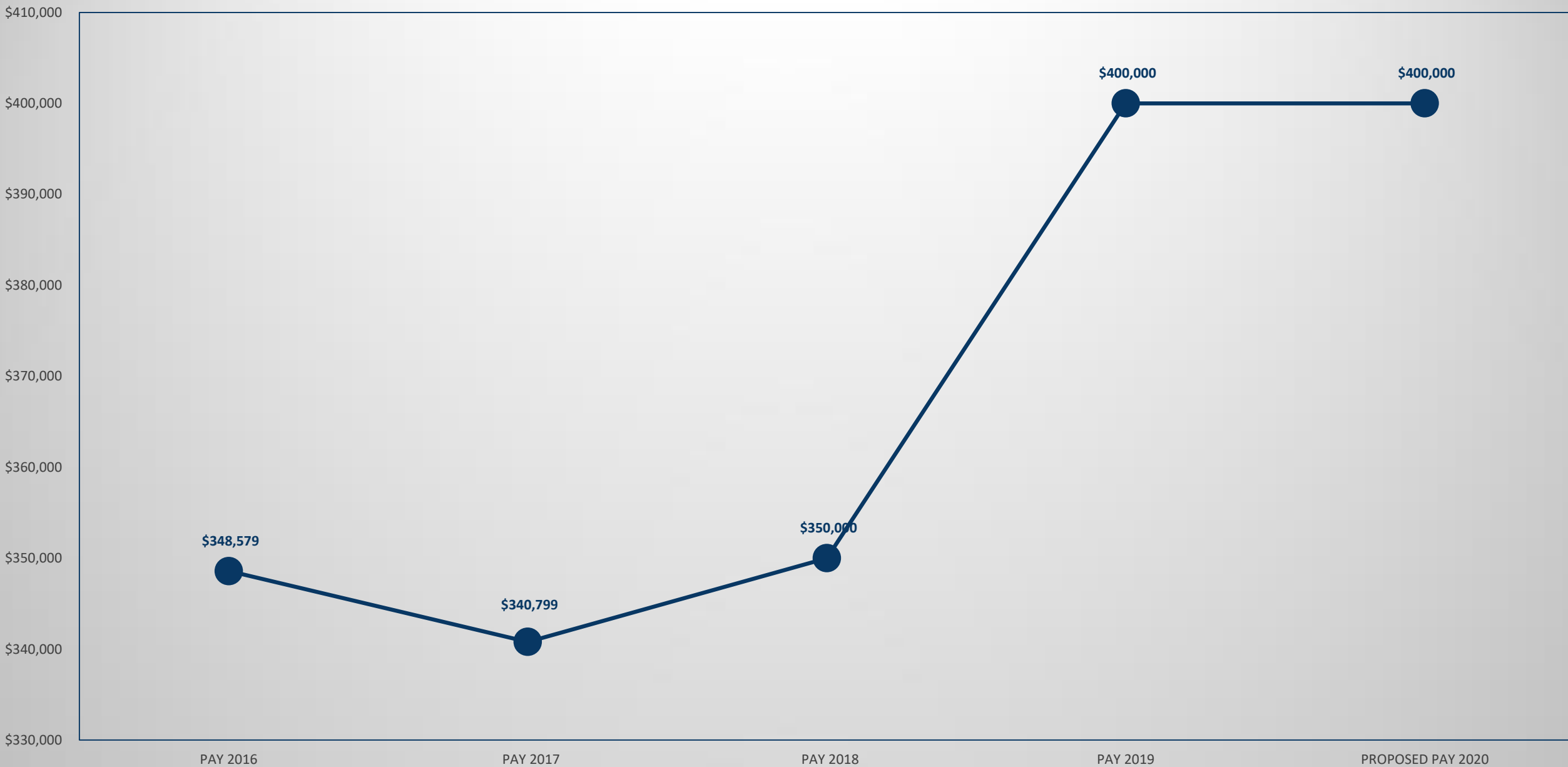
2018 INCLUDES LIBRARY



City of Marshall - Debit Service Levy

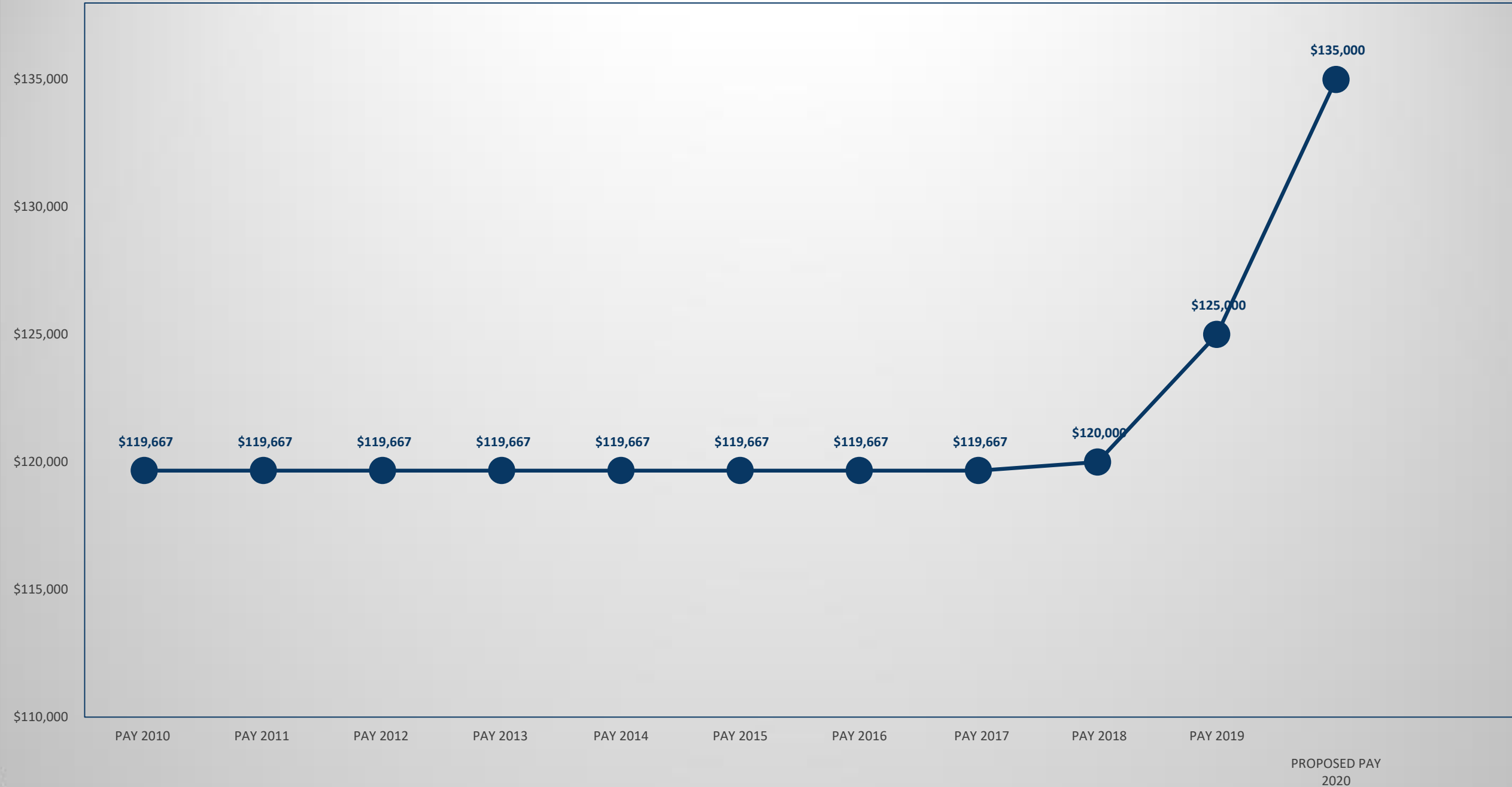


City of Marshall - Capital Improvement Levy

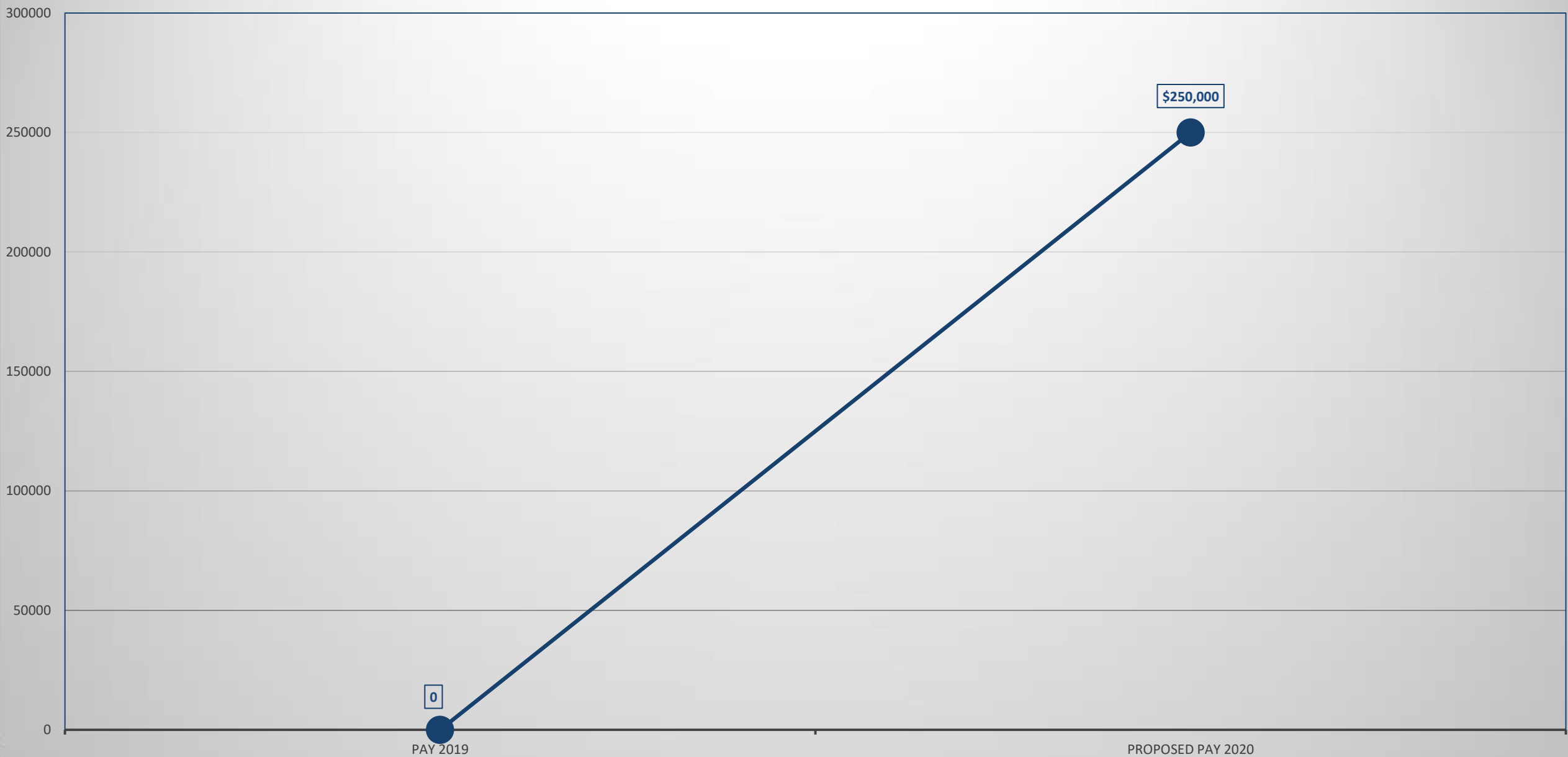


EDA Budget

City of Marshall - EDA Levy



City of Marshall - Street Levy



Surface Water Fund
Wastewater Fund
MERIT
Red Baron

**Summary Calculation of Levy/Property Tax Impact 2019-2020
As of August 7, 2019**

PRELIMINARY PAY 2020

Preliminary Pay 2020 Tax Capacity Including TIF	\$12,427,804
*TIF	- \$255,649
JOBZ-Program Expired for Pay 2017	<u> N/A </u>
 Preliminary Pay 2020 Tax Capacity	 \$12,172,155
2019 Tax Capacity Extension Rate	<u> 56.765% </u>
(*** excluding Rural Service District Calculations***)	
 Preliminary Levy	 \$6,909,524

Preliminary levy of \$6,909,524 (or about a 1.82% increase over pay 2019) results in no property tax increase **if** no 2019 valuation change (city portion of property tax only).

City of Marshall Historical Levy



Recommended 2020 Preliminary Levy and General Fund Budget

	2019 Levy	2020 Proposed Levy	% of Levy Increase		
Debt	1,718,683	1,492,466	(3.33%)		
EDA	125,000	135,000	0.15%		
General	4,541,788	4,914,147	5.49%		
Capital	400,000	400,000	0.0%		
Street	0	250,000	3.68%		
Tax Levy	6,785,471	7,191,613	5.98%		
		How does this impact Property Taxes? <i>*City Portion Only</i>			
		Homesteaded Residential Property			
Levy Increase	5.98%	100,000	150,000	300,000	
Capacity Growth Rate	1.82%	\$17	\$29	\$67	
Levy Increase & Capacity Growth Rate Difference	4.16%	Commercial Property			
		150,000	250,000	500,000	1,000,000
		\$52	\$100	\$214	\$446

Questions?
