

City of Shakopee

Long-term Financial Plan

May 3, 2022

The Long Term Financial Plan (LTFP) is intended to serve as a tool, providing Council and the public with the insight required to address issues that impact the City's financial condition. The LTFP will be presented to the City Council at a workshop on May 3, 2022. The LTFP discusses and views city finances from a wider perspective and serves as a preliminary step in the annual budget and capital improvement planning processes before determining the annual needs of the city.



Trend Analysis

The City's financial trends are analyzed annually with many factors utilized in order to understand the financial condition of the City of Shakopee. These factors include:

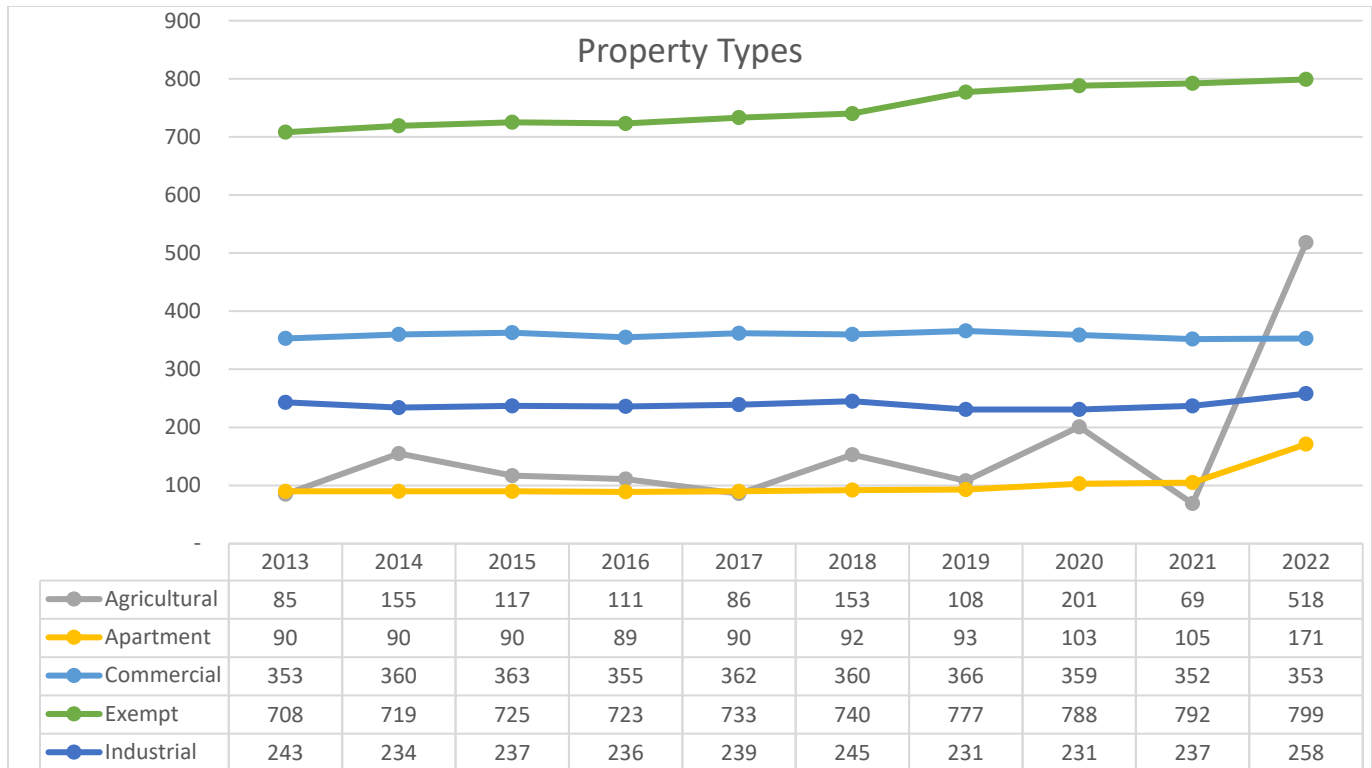
- a. Property Types
- b. Market Value, Tax Capacity, Adjustments
- c. Levy Components, Taxes, Tax Rates
- d. Population
- e. Staffing

This report examines these trends in determining the current and anticipated financial condition of the City of Shakopee. The years presented in the charts are the payable (collection years).

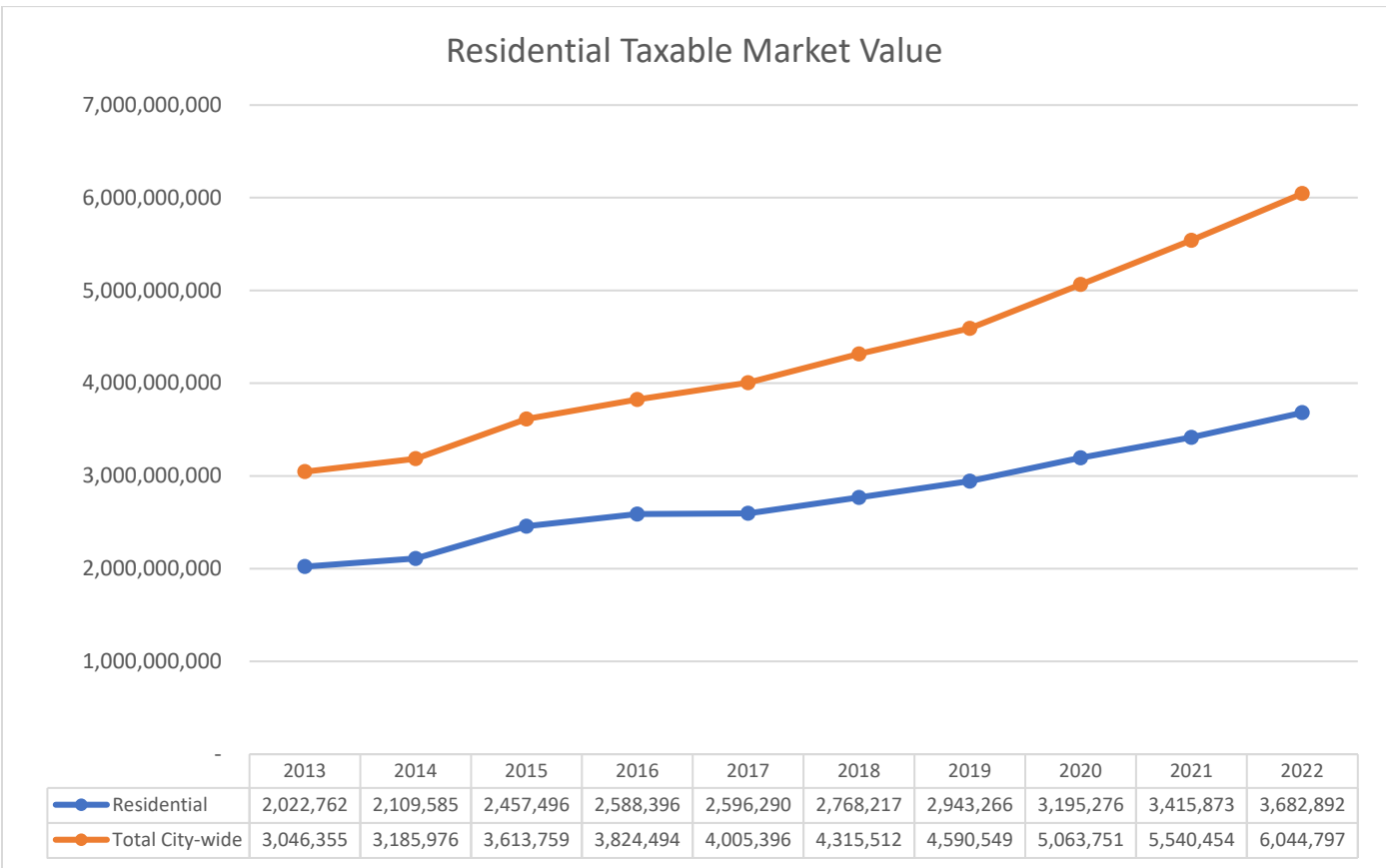
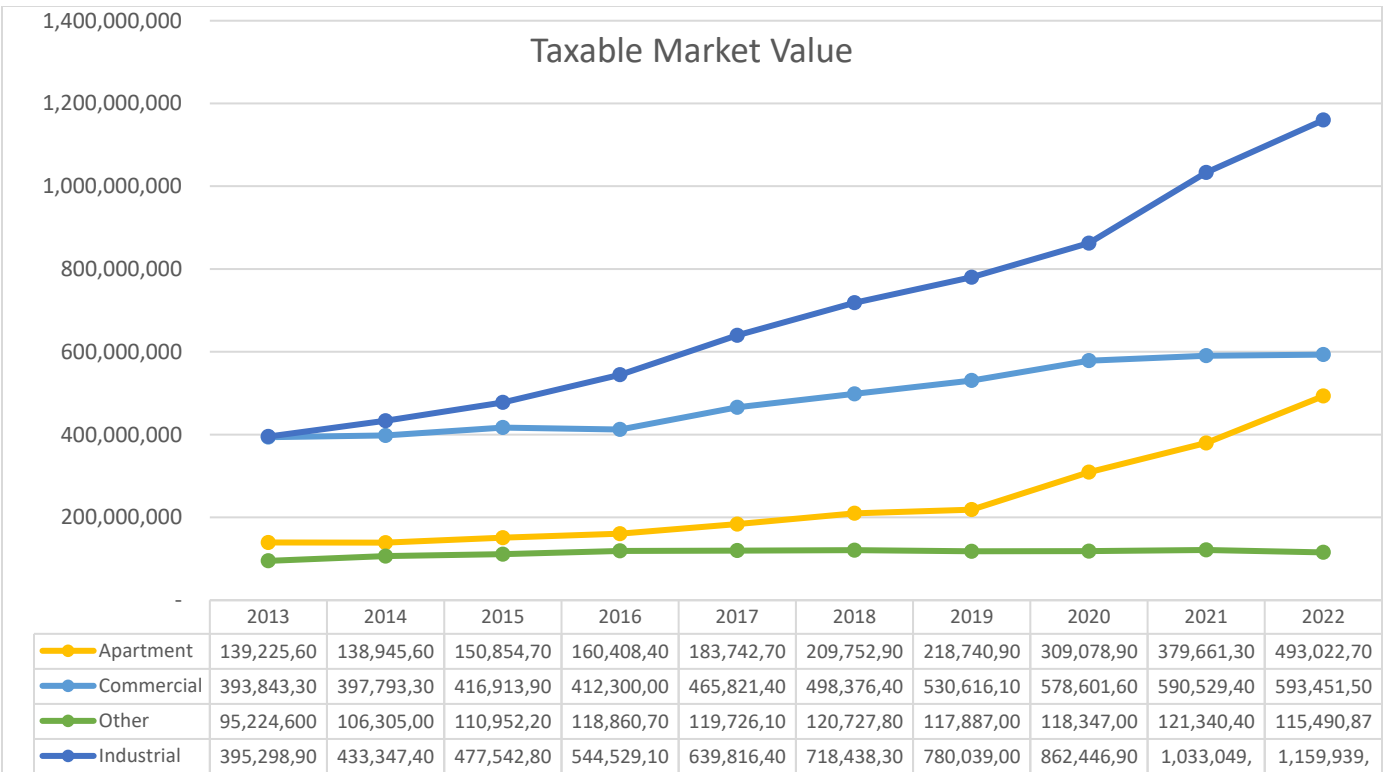
General Fund Projections

General Fund Projections provide an assessment of the impact on anticipated inflationary changes to the city's operations and estimated impact on property taxes and rates.

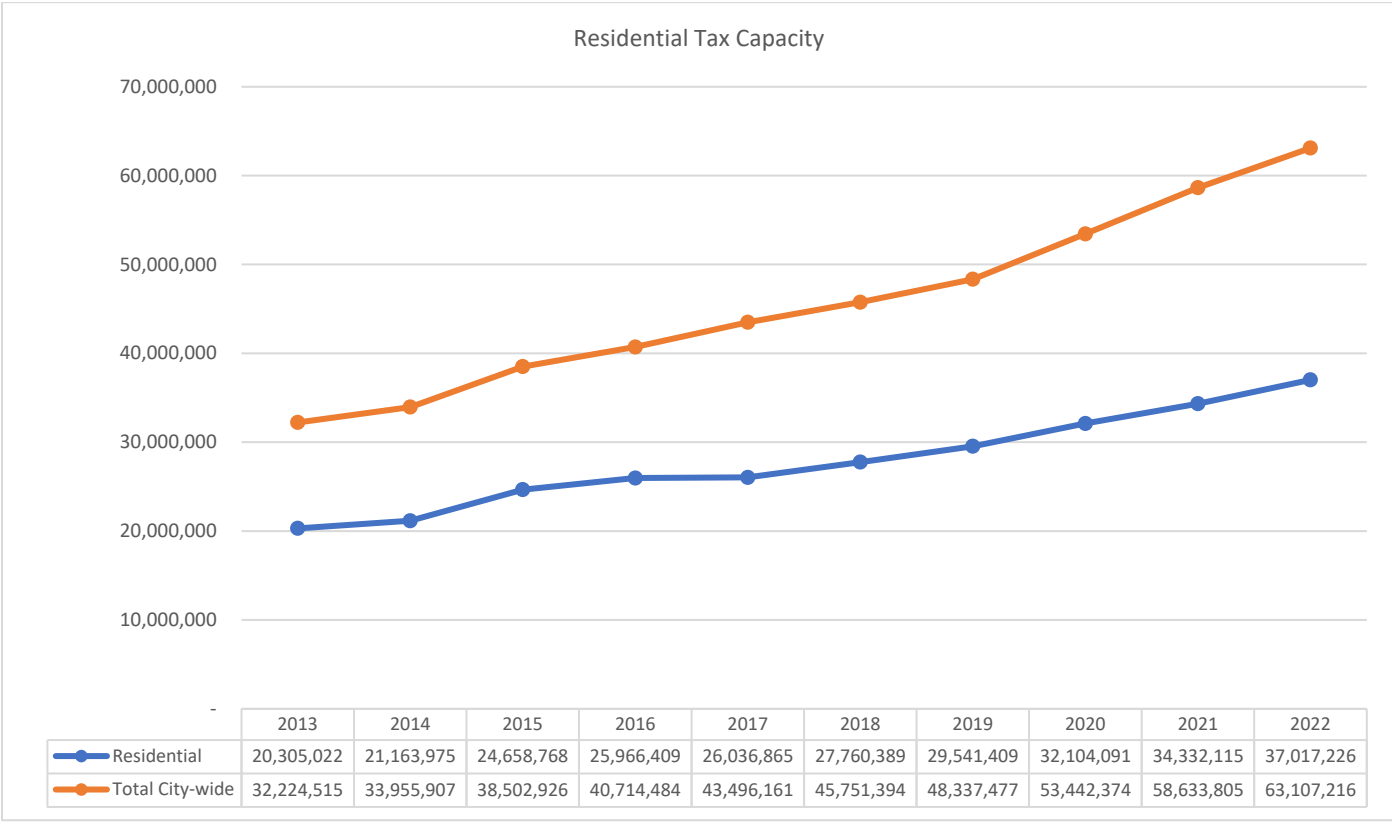
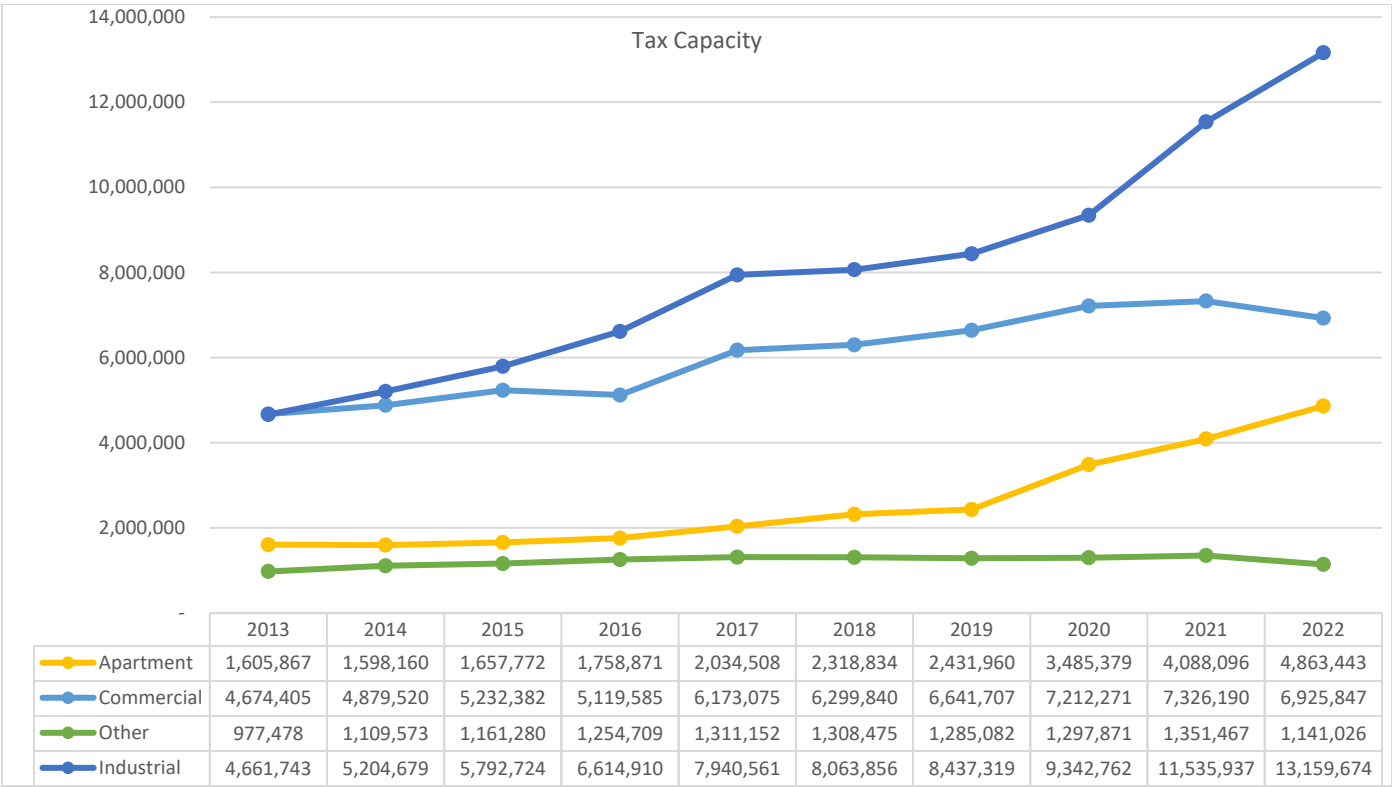
Property Types (parcels)



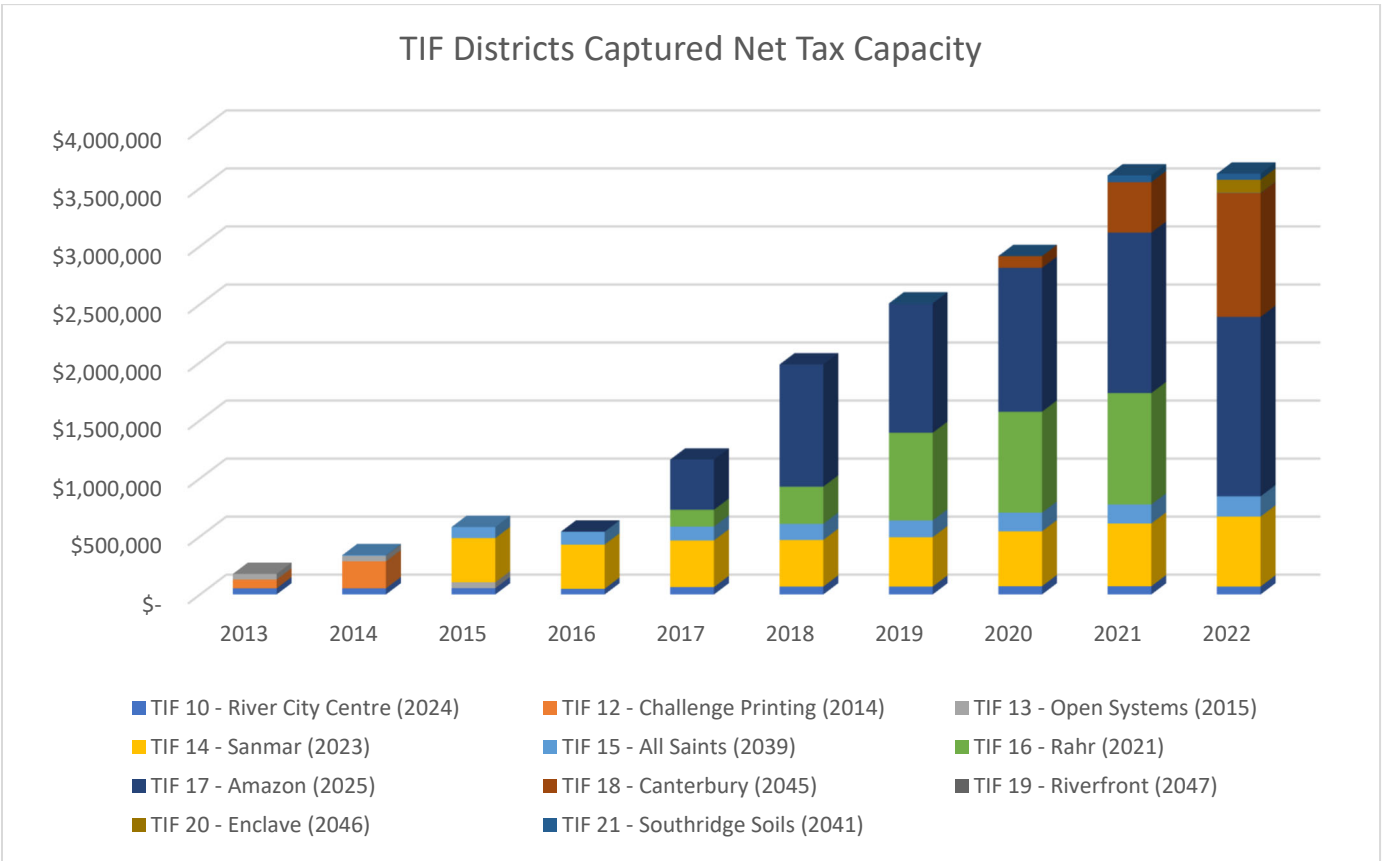
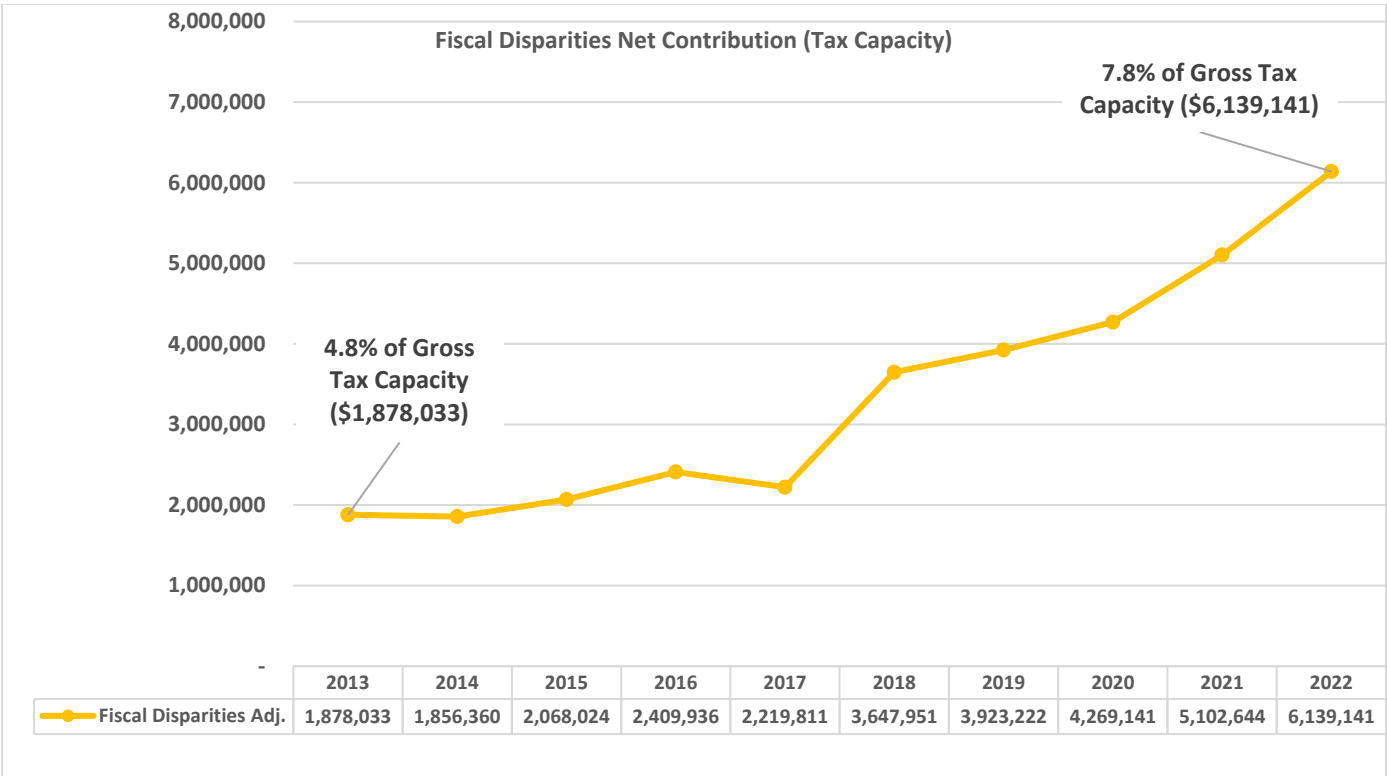
Taxable Market Value



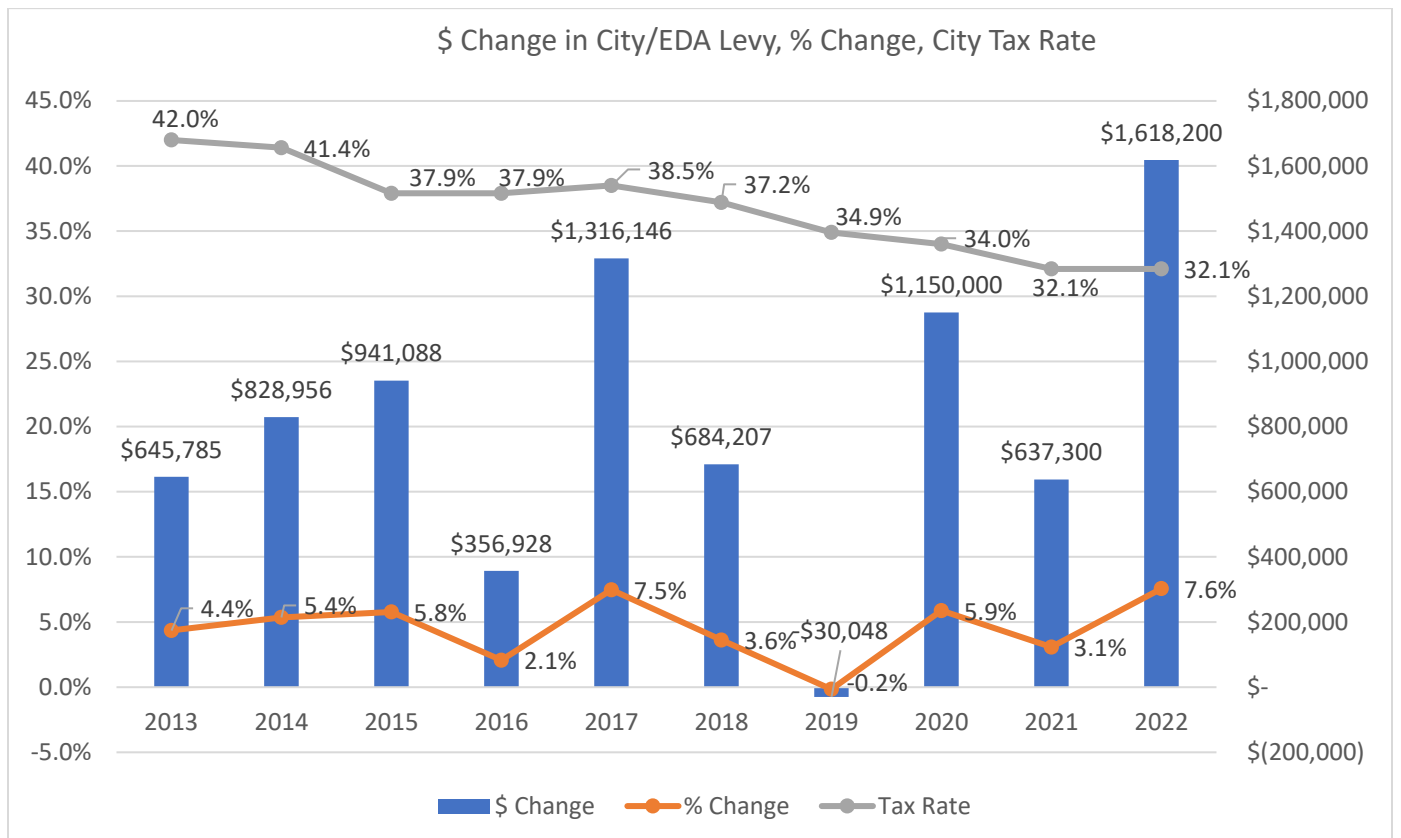
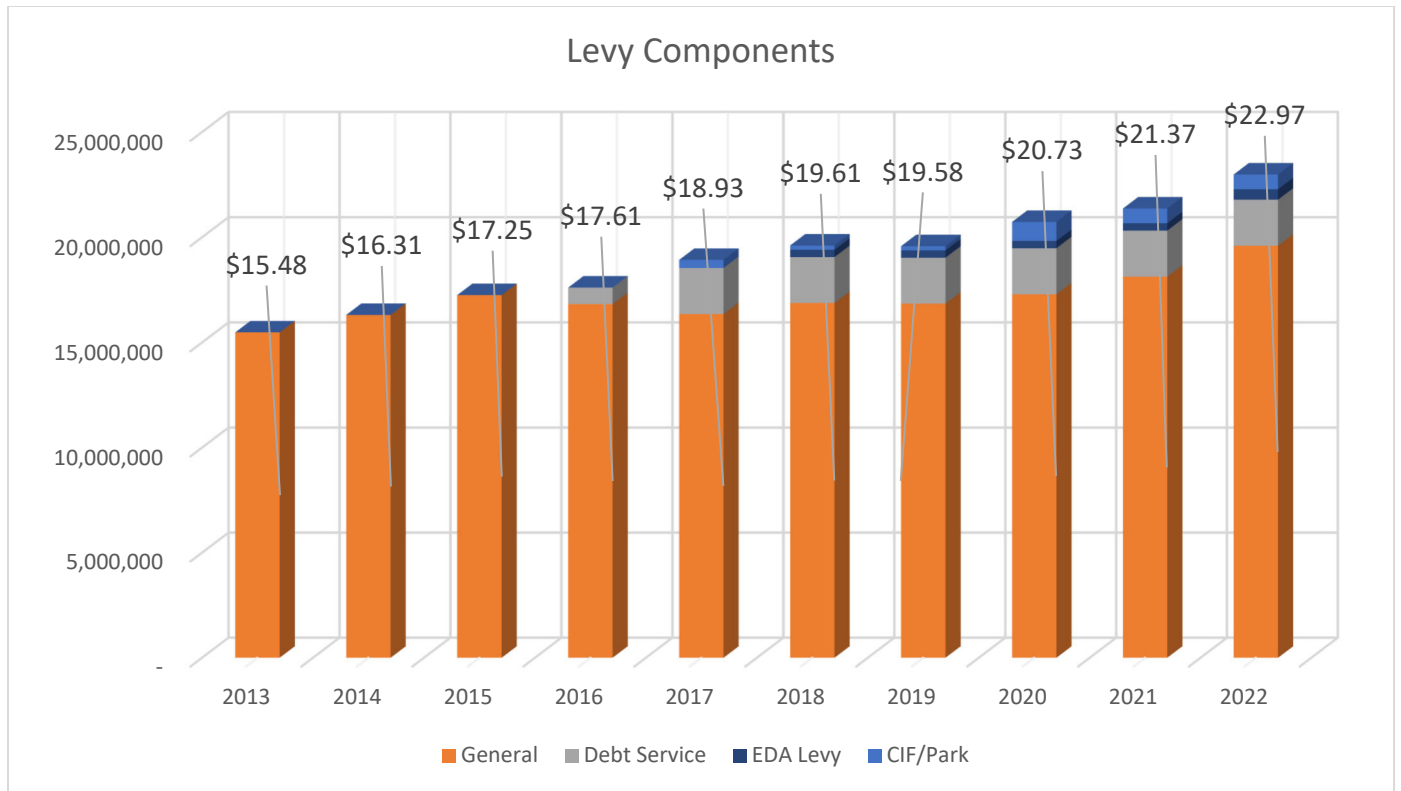
Tax Capacity



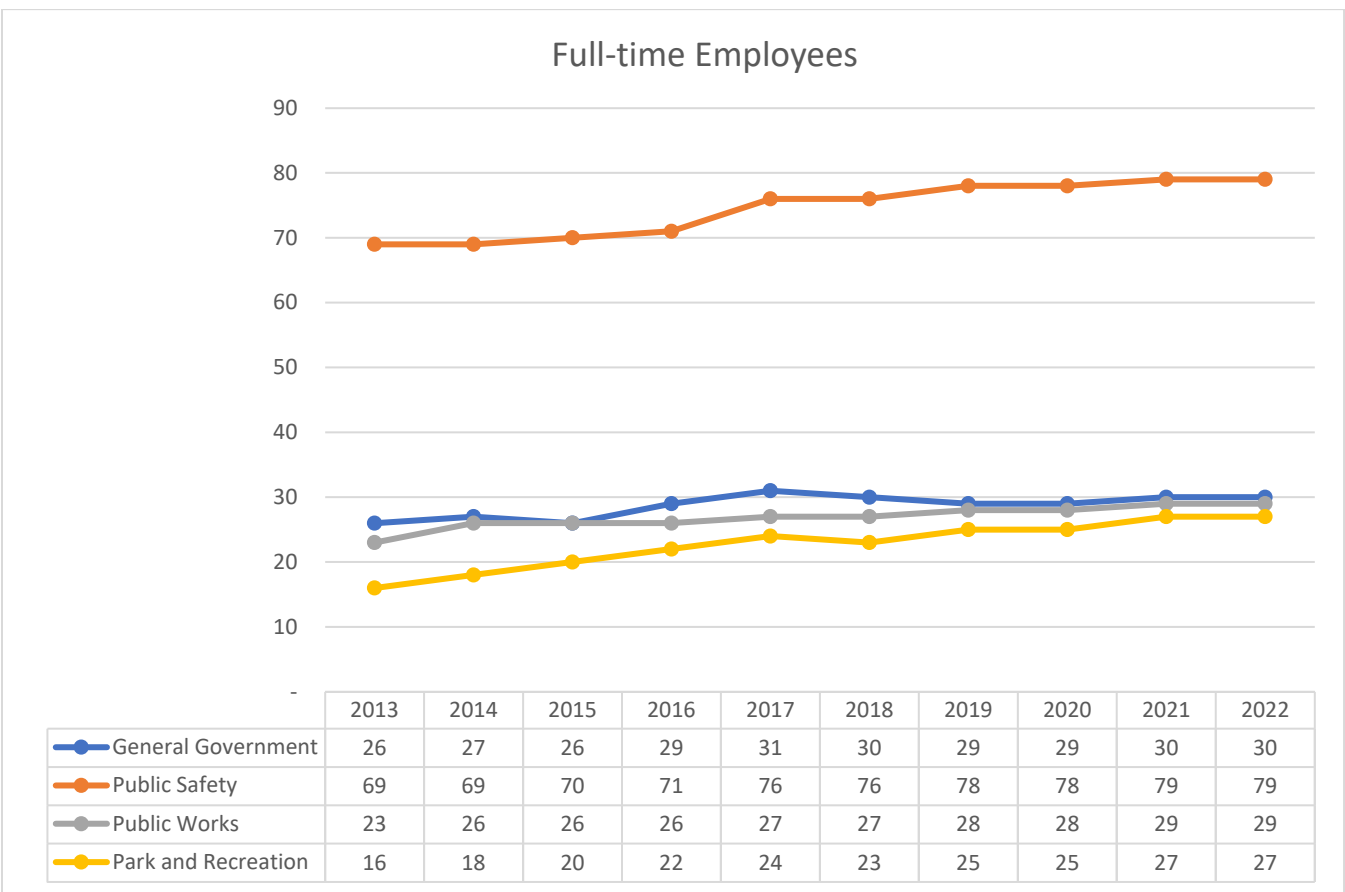
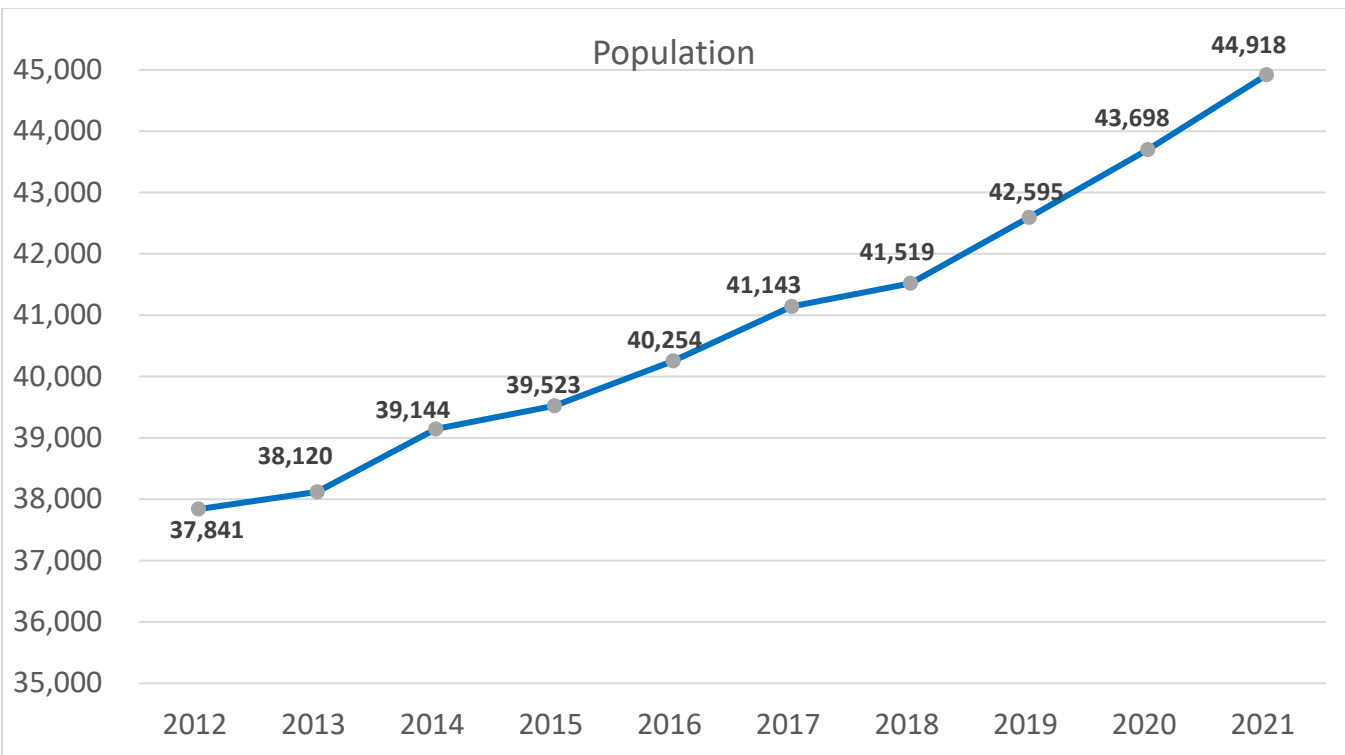
Tax Capacity Adjustments



Levy Components, Taxes & Tax Rates



Population, City Employees



General Fund Projections

Baseline Data

- Revenue and expenditures projections are based on current year budgeted amounts (2022).

Revenues (inflationary assumptions)

- Property taxes – 4.25% annual increase needed to support expenditure assumptions.
- Licenses and permits – 3.00%
- Intergovernmental - 3.00%
- Charges for services – 3.00%
- Other Revenues - 0.00%

Expenditures

- General Government – 2.75%
- Public Safety – 3.25% (additional .5% based on personnel)
- Public Works – 2.75%
- Parks & Recreation – 2.75%
- Other – 0.00%

Additional Information

- City's fund balance policy is to maintain a General Fund unassigned fund balance of 35 to 50% of the following year's budgeted expenditures.
- Taxable market value, net tax capacity and median value home data is from Scott County for taxes payable 2022 and projected out to future years. The taxable market value and net tax capacity is projected to increase 6% annually, which the median value home is projected to increase 5% annually.
- Number of households and population data is based on the 2020 Census, Met Council estimates and their 2030 forecast. Equal annual adjustments have been made based on those long range forecasts.

2022 General Fund Annual Budget Projection														
		Original Budget												
GENERAL FUND	Actual 2020	Budget 2021	Budget 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Inflation Assumptions:
01000 - GENERAL FUND														
REVENUES:														Revenues:
Taxes	17,277,738	18,368,600	19,724,500	20,562,791	21,436,710	22,347,770	23,297,550	24,287,696	25,319,923	26,396,020	27,517,851	28,687,360	29,906,573	4.25%
Special Assessments	(17,706)	7,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	0.00%
Licenses and Permits	3,577,063	2,139,100	2,858,400	2,944,152	3,032,477	3,123,451	3,217,155	3,313,670	3,413,080	3,515,472	3,620,936	3,729,564	3,841,451	3.00%
Intergovernmental	4,707,147	1,441,200	1,444,200	1,487,526	1,532,152	1,578,117	1,625,461	1,674,225	1,724,452	1,776,186	1,829,472	1,884,356	1,940,887	3.00%
Charges for Services	5,242,150	6,929,500	7,384,800	7,606,344	7,834,534	8,069,570	8,311,657	8,561,007	8,817,837	9,082,372	9,354,843	9,635,488	9,924,553	3.00%
Fines and Forfeits	7,062	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	0.00%
Miscellaneous	619,836	235,000	233,200	233,200	233,200	233,200	233,200	233,200	233,200	233,200	233,200	233,200	233,200	0.00%
Proceeds From Debt Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Transfers In	250,000	250,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	0.00%
Gain/Loss on Asset Disposal	10,284	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
REVENUES	31,673,574	29,372,100	32,050,800	33,239,713	34,474,773	35,757,808	37,090,723	38,475,498	39,914,192	41,408,950	42,962,002	44,575,668	46,252,364	
EXPENDITURES:														Expenditures:
General Government	4,999,373	4,817,500	5,196,300	5,339,198	5,486,026	5,636,892	5,791,907	5,951,184	6,114,842	6,283,000	6,455,783	6,633,317	6,815,733	2.75%
Public Safety	13,599,319	13,895,700	14,938,100	15,423,588	15,924,855	16,442,413	16,976,791	17,528,537	18,098,214	18,686,406	19,293,714	19,920,760	20,568,185	3.25%
Public Works	3,930,055	6,849,300	7,529,800	7,736,870	7,949,634	8,168,249	8,392,876	8,623,680	8,860,831	9,104,504	9,354,878	9,612,137	9,876,471	2.75%
Park and Recreation	6,329,152	4,178,400	4,506,000	4,629,915	4,757,238	4,888,062	5,022,484	5,160,602	5,302,519	5,448,338	5,598,167	5,752,117	5,910,300	2.75%
Miscellaneous	25,625	131,200	130,600	130,600	130,600	130,600	130,600	130,600	130,600	130,600	130,600	130,600	130,600	0
Transfers Out	2,535,510	-	-	-	-	-	-	-	-	-	-	-	-	0
EXPENDITURES	31,419,034	29,872,100	32,300,800	33,260,171	34,248,353	35,266,216	36,314,658	37,394,603	38,507,006	39,652,848	40,833,142	42,048,931	43,301,289	
REVENUE OVER (UNDER) EXPENSES	254,540	(500,000)	(250,000)	(20,458)	226,420	491,592	776,065	1,080,895	1,407,186	1,756,102	2,128,860	2,526,737	2,951,075	
FUND BALANCE	15,879,342	16,133,882	15,383,882	15,363,424	15,589,844	15,589,844	16,081,436	16,857,501	17,938,396	19,345,582	21,101,684	23,230,544	25,757,281	
ENDING FUND BALANCE	16,133,882	15,633,882	15,383,882	15,363,424	15,589,844	16,081,436	16,857,501	17,938,396	19,345,582	21,101,684	23,230,544	25,757,281	28,708,356	
50% Fund Balance Policy	\$ 14,936,050	\$ 16,150,400	\$ 16,630,086	\$ 17,124,177	\$ 17,633,108	\$ 18,157,329	\$ 18,697,302	\$ 19,253,503	\$ 19,826,424	\$ 20,416,571	\$ 21,024,466	\$ 21,650,645		
Excess Fund Balance	\$ 1,197,832	\$ (516,518)	\$ (1,246,204)	\$ (1,760,753)	\$ (2,043,264)	\$ (2,075,893)	\$ (1,839,801)	\$ (1,315,107)	\$ (480,842)	\$ 685,113	\$ 2,206,078	\$ 4,106,636		
Revenue Changes (without Transfers)	2.3%	-8.1%	8.6%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	
Expenditure Changes (without Transfers)	5.4%	3.4%	8.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Property Tax Levy	\$ 20,380,500	\$ 21,017,800	\$ 22,486,000	\$ 23,441,655	\$ 24,437,925	\$ 25,476,537	\$ 26,559,290	\$ 27,688,060	\$ 28,864,802	\$ 30,091,556	\$ 31,370,448	\$ 32,703,692	\$ 34,093,599	4.25%
Taxable Market Value	5,063,751,000	5,537,836,867	6,044,797,135	6,407,484,963	6,791,934,061	7,199,450,105	7,631,417,111	8,089,302,137	8,574,660,266	9,089,139,882	9,634,488,275	10,212,557,571	10,825,311,025	6.00%
Net Tax Capacity	53,424,462	58,582,478	63,105,427	66,891,753	70,905,258	75,159,573	79,669,148	84,449,296	89,516,254	94,887,230	100,580,463	106,615,291	113,012,209	6.00%
Tax Capacity Rate	33.965%	32.106%	32.111%	31.722%	31.331%	30.940%	30.547%	30.155%	29.763%	29.371%	28.980%	28.590%	28.201%	
Median Value Home	251,000	266,800	284,700	298,935	313,882	329,576	346,055	363,357	381,525	400,601	420,632	441,663	463,746	5.00%
Tax on Median Value Home	803	814	877	915	955	996	1,038	1,082	1,127	1,173	1,221	1,270	1,321	
Number of Households	14,125	14,653	15,180	15,708	16,235	16,763	17,290	17,818	18,345	18,873	19,400	19,928	20,455	
Population	43,698	44,918	46,138	47,359	48,579	49,799	51,019	52,239	53,460	54,680	55,900	57,120	58,340	
Taxes Per Capita	\$ 466.39	\$ 467.91	\$ 487.36	\$ 494.98	\$ 503.06	\$ 511.59	\$ 520.57	\$ 530.02	\$ 539.94	\$ 550.32	\$ 561.19	\$ 572.54	\$ 584.39	
(2020 Census)														
Notes: Population and number of household estimates based on Met Council projections (estimated 2020 and projected 2030). The 2022 Budget year is the base year for future projections.														
(Met Council Forecast)														