

2025 Budget Overview

City Council Work Session

August 7, 2024



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City of Shakopee | 485 Gorman St., Shakopee MN 55379
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SHAKOPEE

2025 Financial Objectives

- City Council
 - Low taxes/stable tax rate
 - Increase tax capacity
- Administration
 - True fiscal transparency
 - Long-term perspective

City of Shakopee 2024 Budget and Levy



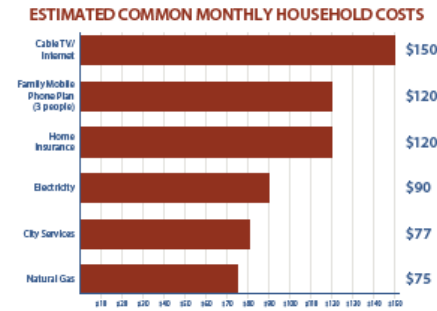
PREPARED BY THE CITY OF SHAKOPEE FINANCE DEPARTMENT

2024 Budget Fast Facts

- The City of Shakopee's tax rate is the 14th lowest out of 100 cities in Minnesota with a population of 10,000+
- The median value home of \$338,400 will pay approximately \$919 annually in city property taxes, a decrease of \$54 from 2023
- On average, City of Shakopee taxes only comprise 25% of a homeowner's total property tax bill
- Approximately 44 cents of every \$1 in city property taxes is paid by commercial and industrial properties
- Property taxes help fund the maintenance and snow removal of 174 miles of local road—the distance from Shakopee to Duluth—85 miles of trail, 94 sports fields, and 47 parks

MONTHLY COST COMPARISON

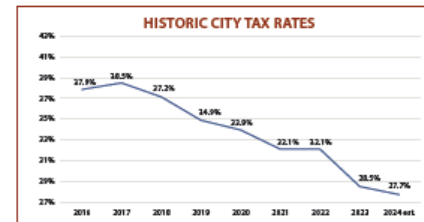
The 2024 estimated property tax cost of city services (public safety, public works, parks and recreation programs, general government, infrastructure and debt service, and more) for the median valued home (\$338,400), is \$77 per month. The graphic compares that cost to estimated common monthly household costs.



ANNUAL COST OF SERVICES

Total annual cost of city services in 2023 on a \$250,000 home, including city property taxes, sewer and storm drainage.

COMPARABLE & SURROUNDING CITIES	ANNUAL TOTAL COST <small>Property Taxes, Sewer, Storm Water</small>
Golden Valley	\$1,715
St. Louis Park	\$1,555
Inver Grove Heights	\$1,551
Burnsville	\$1,423
Maplewood	\$1,387
Roseville	\$1,270
Savage	\$1,260
Chaska	\$1,249
Coon Rapids	\$1,246
Lakeville	\$1,114
Blaine	\$1,074
Prior Lake	\$1,043
SHAKOPEE	\$968 (2023) \$954 (2024)



\$37,058,360
Adopted 2024 General Fund Operating Budget
Where the General Fund dollars go...

Category	Amount
PUBLIC SAFETY	46c
PUBLIC WORKS	22c
GENERAL GOV'T	18c
RECREATION	14c

Your 2024 City of Shakopee Property Tax Receipt

General Government	\$165.60
Mayor & Council	\$5.88
Administration	\$25.00
Human Resources	\$21.75
Communications	\$11.21
Information Technology	\$19.44
City Clerk/Elections	\$10.29
Finance	\$24.98
View your 2024 city tax receipt	\$9.73
Planning & Development	\$17.72
Facility Maintenance	\$13.29
Library Building	\$6.31

How much do I pay for city services?
See your 2024 city property taxes broken down.

CHECK OUT OUR TAX RECEIPT TOOL!
See an Itemized breakdown of how the City uses your property taxes

www.ShakopeeMN.gov/budget

Shakopee Sustainable Cycle of City Government



Taxable Market Value

Class	Payable 2024	Payable 2025	Change (%)
Agricultural	\$65,302,703	\$65,157,710	-0.2%
Apartment	713,349,600	778,527,700	9.1%
Commercial	702,496,200	769,135,900	9.5%
Industrial	1,571,476,000	1,773,380,700	12.8%
Public Utility/Railroad	31,337,200	31,337,200	0.0%
Residential	4,692,583,394	4,931,489,463	5.1%
Other	<u>2,279,600</u>	<u>2,300,500</u>	<u>0.9%</u>
Totals	\$7,778,824,697	\$8,351,329,173	7.4%

New construction accounts for \$250 million or 43.7% of the increase



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Budget Overview - Revenues

- Shakopee Public Utilities contribution – expected to increase based on projected revenue.
- SandVenture – revenues to reflect proposed fee schedule
- Investment income – based on current investment holdings and rates
- Building permits – increase in growth now expected, but potentially looking at a less conservative revenue forecast



Budget Overview - Expenditures

- Wages and benefits
 - Initial assumptions include:
 - Cost of living adjustment (3% increase)
 - Health insurance (15% increase)
 - Impacts from 2024 union contracts (Police/Public Works)
 - Impacts from 2024 Fire department staffing model changes
 - Fire Inspector (proposed new position)
- Equipment
 - New (Police side-by-side, building inspector vehicle, fire inspector vehicle)
 - Offset by building permit revenues and SMSC agreement
 - Equipment replacement costs continue to rise (impacting annual rent)
- Street maintenance – continued increase in cost to maintain current streets

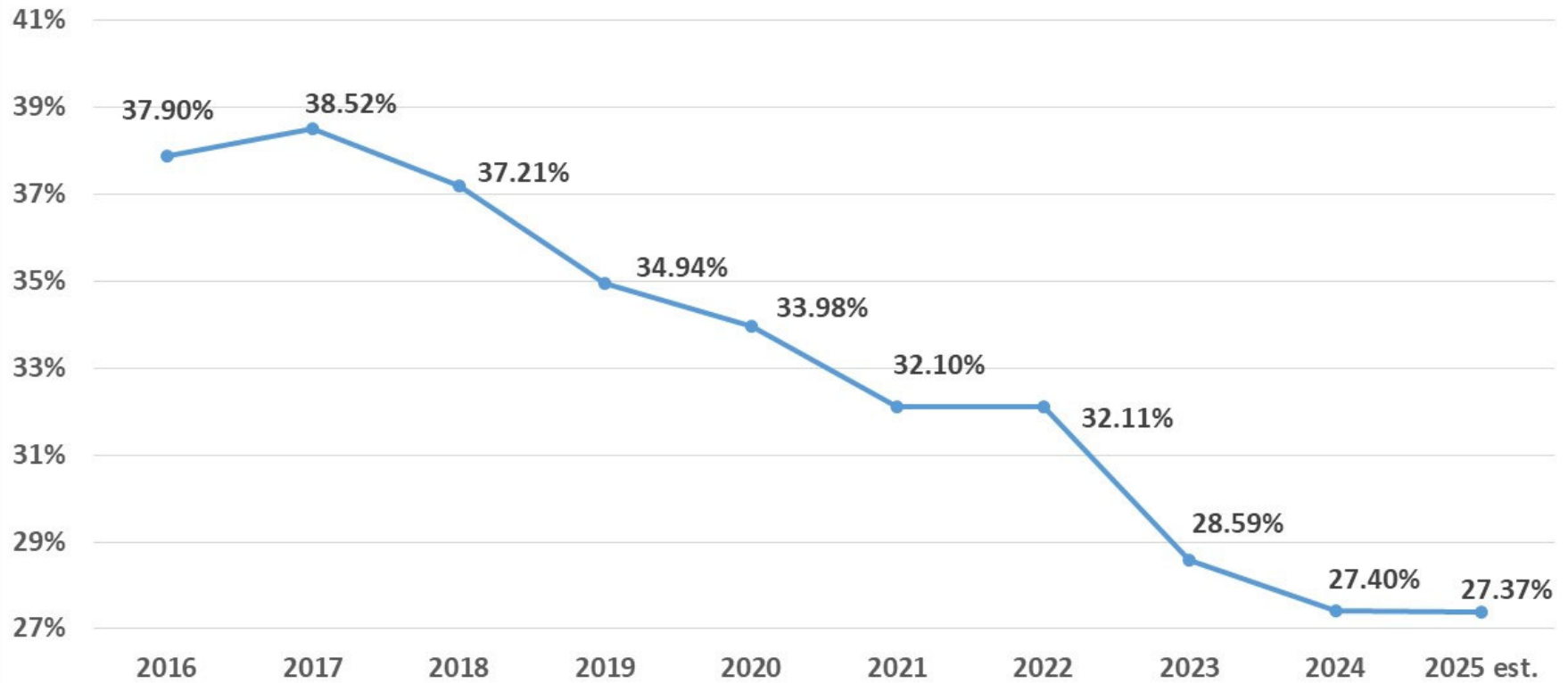


**City of Shakopee
Levy Analysis
August 7, 2024**

	<u>2024 Final</u>	<u>2025 Estimated</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
City Levy				
General Fund	\$ 22,336,500	\$ 23,283,000	\$ 946,500	4.24%
Abatements	126,000	120,000	(6,000)	-4.76%
Capital Improvement Levy	700,000	1,200,000	500,000	71.43%
Debt Service				
2016 Abatement	2,189,000	2,189,000	-	0.00%
2022A Improvement	121,500	-	(121,500)	-100.00%
Total Debt Service	<u>2,310,500</u>	<u>2,189,000</u>	<u>(121,500)</u>	<u>-5.26%</u>
Total City Levy	<u>\$ 25,473,000</u>	<u>\$ 26,792,000</u>	<u>\$ 1,319,000</u>	<u>5.18%</u>
Shakopee EDA Special Levy	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>0.00%</u>
Total City and EDA Levies	<u><u>\$ 25,973,000</u></u>	<u><u>\$ 27,292,000</u></u>	<u><u>\$ 1,319,000</u></u>	<u><u>5.08%</u></u>

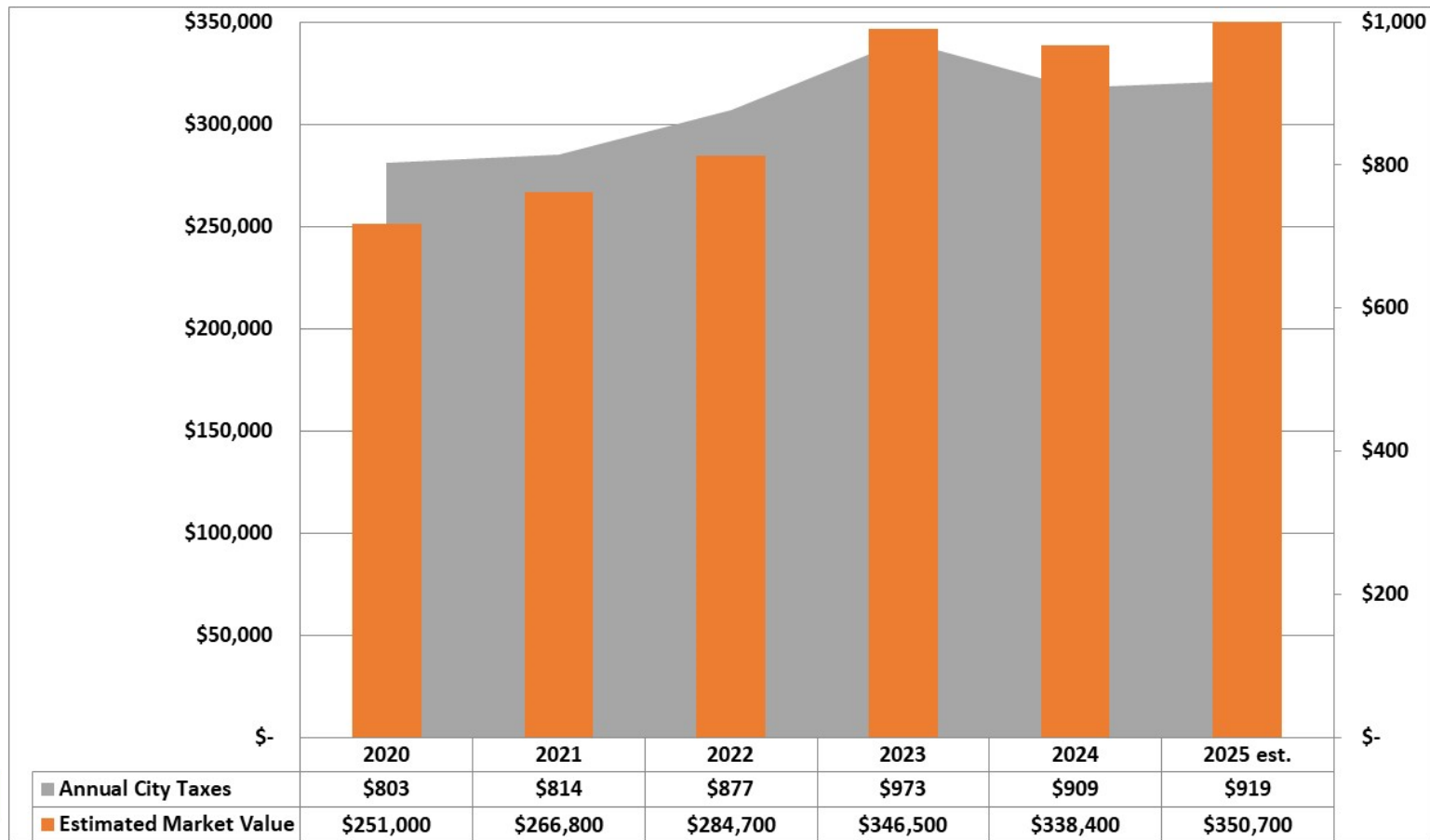


Historical City Tax Rates

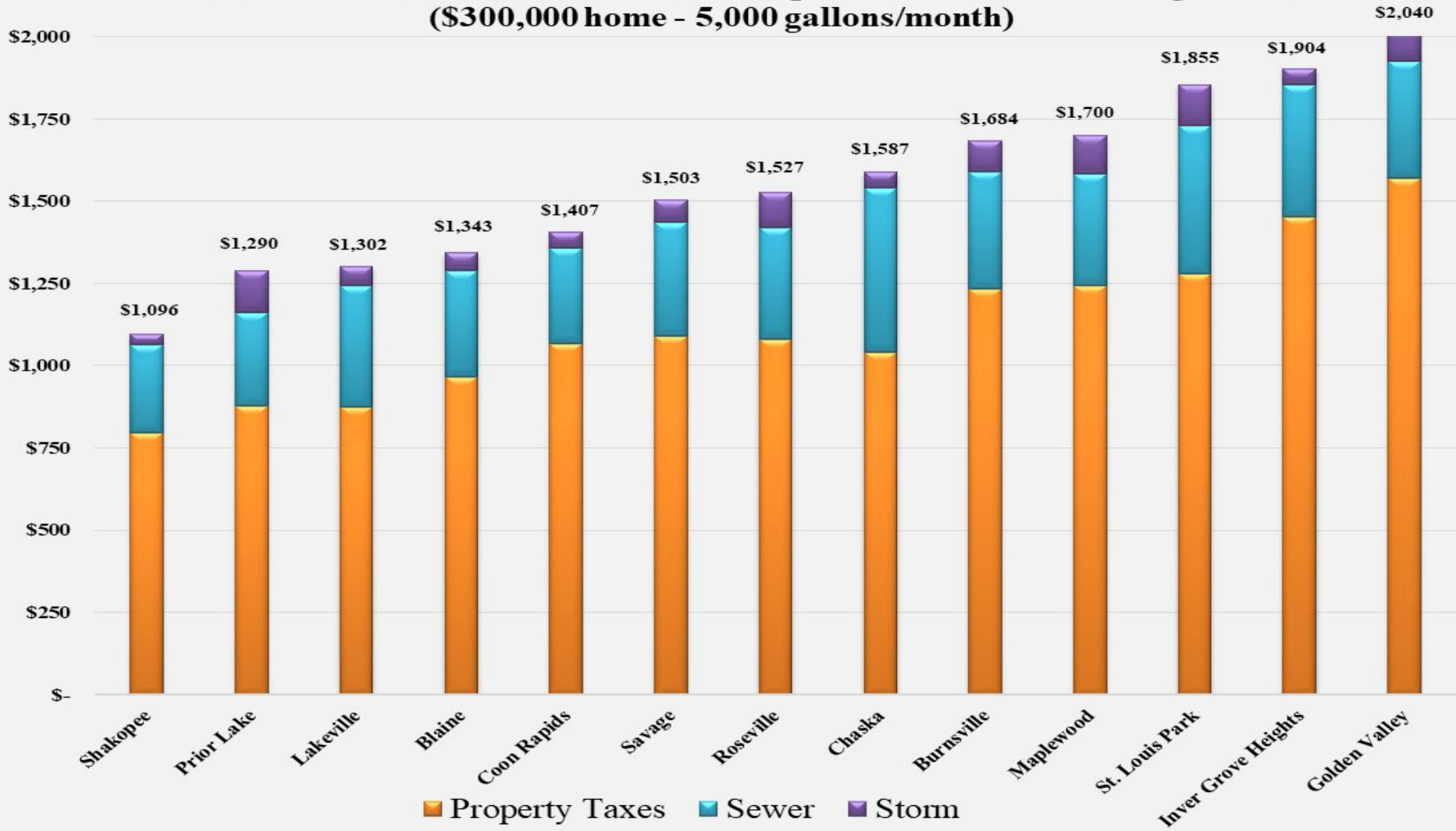


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Median Value Home



2024 Annual Cost of Services for Comparable & Surrounding Cities (\$300,000 home - 5,000 gallons/month)



Budget Calendar

Date	Who	What
May 7, 2024	Council/Staff	Review Long-term Financial Plan
July 10, 2022	Public/Staff	Budget Listening Session
August 7, 2024	Council/Staff	Review Preliminary Capital Improvement Plan (CIP) Budget Overview
August 20, 2024 or September 3, 2024	Council/Staff	Review proposed levy, initiatives and requests
September 17, 2024	Council	Adopt proposed maximum tax levy for City and EDA. Adopt final 2025-2029 CIP
October 1, 2024	Council	Adopt final 2025-2029 CIP
September 30, 2024	Staff	Certify maximum tax levy to the County which will be used for proposed property tax notices
Mid-November	County	Proposed tax notices sent to owners
November	Council/Staff	Work session to review budget document
December 3, 2024	Council	Hold public meeting to discuss levy and budget. Review and approve utility rates for 2025.
December 17, 2024	Council	Adopt final tax levy and budget
December 31, 2024	Staff	Certify final tax levy and budget to County and State

Council Consideration Items

- Input on the 2025 preliminary levy and budget



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