

2019 Proposed Budget Workshop

November 20, 2018

City of Shakopee | (952) 233-9300 | www.ShakopeeMN.gov

Shakopee
Minnesota



2019 Proposed Budget Workshop

- Budget Overview
 - For the 3rd consecutive year, staff is proposing a budget with no impact to residents, absent above average increases in property valuation.
 - The proposed budget decreases the city's tax rate from 37.971% to 35.231%.
 - These percentages are inclusive of the EDA levy that was instituted in 2018.



2019 Proposed Budget Workshop

- Budget Overview
 - The 2018 budget was the last year of a 3-year transformative budget process that set the foundation to achieve the Council's goals of low taxes, financial stability and a stable tax rate.
 - The 2019 budget is a direct reflection of these prior years efforts and focuses on maintaining current service levels.



2019 Proposed Budget Workshop

- Budget Overview
 - Budget continues to be retooled in order to:
 - Establish true fiscal transparency, including defining revenues
 - Funding sources identified, i.e. Tax Abatements and the CIF and EDA levies vs. transfers from GF
 - Ensure our budgets accurately reflect how we spend tax dollars
 - Reducing variances by budgeting on anticipated needs
 - If a budgetary need arises, staff will make council aware of the change



2019 Proposed Budget Workshop

- Budget Impact Issues
 - Wages & Benefits
 - COLA
 - Health Insurance
 - Police & Fire Pension Contribution
 - Requesting one new PW maintenance operator in the Streets Division
 - Other changes



2019 Proposed Budget Workshop

- Budget Impact Issues
 - Internal rent charges for L-T equipment recommended to be based on replacement value.
 - Strong Revenue Forecasts
 - Building Permits
 - Community Center/Ice Arena



2019 Proposed Budget Workshop

- Budget Impact Issues

- EDA Levy

- EDA has statutory authority to levy up to 0.0183% of the city's estimated market value
 - Cap is limited to approx. \$834,200
 - EDA special market value levy applies to all taxable properties within the city including properties that are receiving tax abatement or TIF proceeds
 - Budget neutral change – eliminates an annual transfer from the city's General Fund
 - Proposed 2019 EDA Levy is \$350,000
 - 2018 EDA Levy was \$350,000
 - estimated \$20 tax impact



2019 Proposed Budget Workshop

- Levy Request & Impact

Tax Levy Year	Levy Amount
2019	\$19,580,500*
2018	\$19,610,548*
Increase/(Decrease)	\$(30,048) or (0.15%) Tax Cut

*Includes \$350,000 EDA levy for both 2018 and 2019



City of Shakopee Levy Analysis November 20, 2018				
	2018 Final	2019 Preliminary	Increase/ (Decrease)	% Change
City Levy				
General Fund	\$ 16,694,500	\$ 16,677,400	\$ (17,100)	-0.10%
Abatements	182,400	169,500	(12,900)	-7.07%
Capital Improvement Levy	200,000	200,000	-	0.00%
Debt Service				
2008 A Improve	135,448	-	(135,448)	-100%
2010 A Improve	105,940	115,000	9,060	9%
2016 Abatement	1,942,260	2,068,600	126,340	7%
Total Debt Service	2,183,648	2,183,600	(48)	0%
Total City Levy	\$ 19,260,548	\$ 19,230,500	\$ (30,048)	-0.16%
Shakopee EDA Special Levy	\$ 350,000	\$ 350,000	\$ -	0.00%
Total City and EDA Levies	\$ 19,610,548	\$ 19,580,500	\$ (30,048)	-0.15%

2019 Proposed Budget Workshop

- Levy Request & Impact
 - 6.80% growth for taxes payable 2019, 16% of growth is related to “new” growth.
 - This new growth creates \$634,600 of new tax capacity.
 - New growth would allow the city to increase the levy by 1.15% or \$225,000 without having a tax impact on existing properties.



2019 Proposed Budget Workshop

- Levy Request & Impact
 - Due to new growth and a decrease in the 2019 levy, most residents will see a city tax cut.
 - Absent any change in value, homeowners can expect a tax decrease of about \$62 or 7.2%.
 - Even factoring in an increase in value, approximately 7,100 residential properties will receive a tax cut.
 - Residential properties with value increases from 0 to 5% will still see a tax decrease of about \$39 or 4.5%.



Residential Valuation Changes

Payable 2018 Value	Properties in Category	Average of Net % Change for pay 2019
<\$100,000	147	4.1%
100000-149999	1,377	10.5%
150000-199999	3,428	8.0%
200000-249999	2,478	5.0%
250000-299999	1,597	3.9%
300000-399999	2,279	3.3%
400000-499999	582	2.4%
500000-699999	150	2.8%
700000-999999	7	10.7%
>\$999,999	2	8.3%
Grand Total	12,047	5.3%



2019 Property Tax Levy Comparison

Pay 2019 Market Value of
\$174,300 = \$11 tax
increase



Pay 2019 Market Value of
\$255,000 = \$13 tax
decrease



Pay 2019 Market Value of
\$353,300 = \$48 tax
decrease



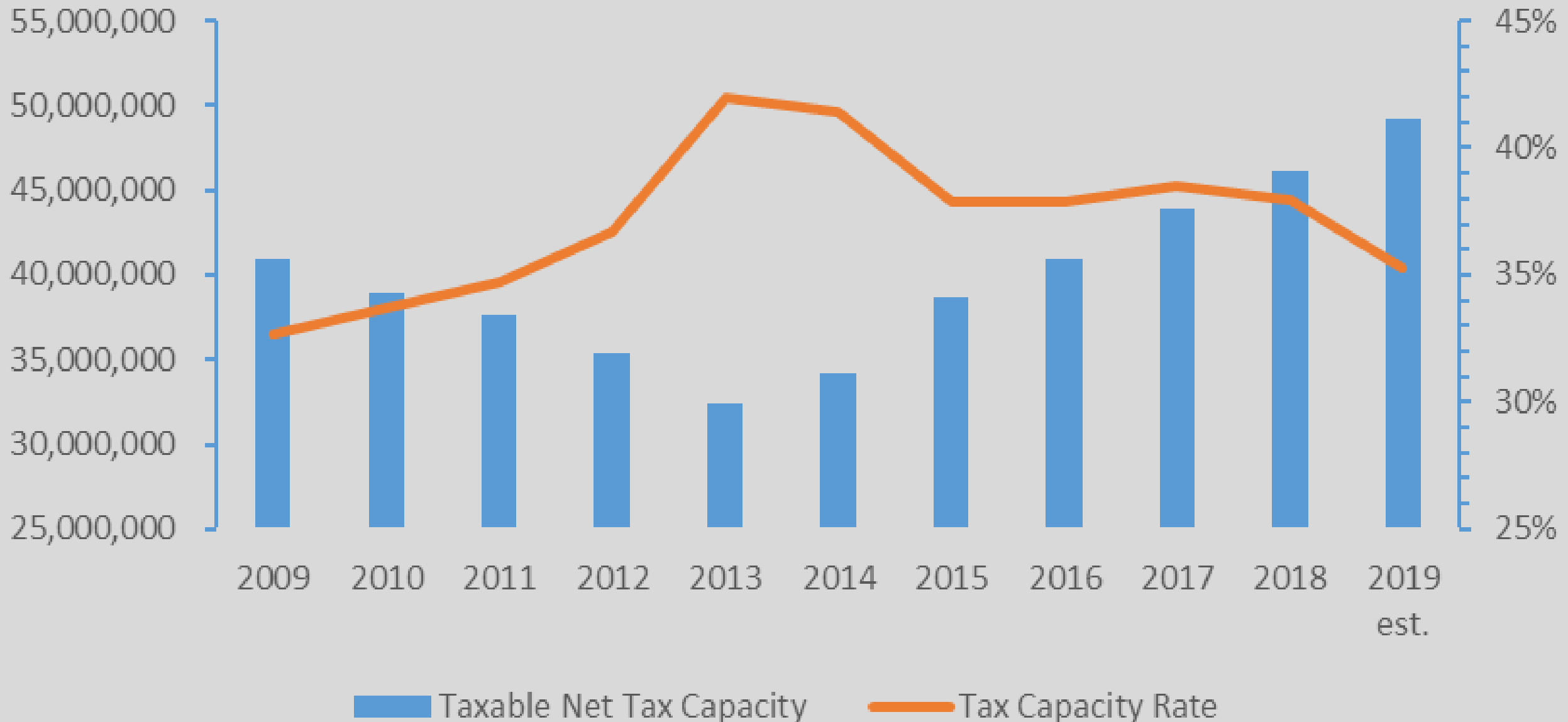
10-Year Tax Levy History

Budget	Levy	Increase/ (Decrease)	Tax Capacity	Tax Rate	Debt Service Levy	Total Levy	Levy Change %
2010	14,236,138	271,023	38,952,163	33.710%	682,527	14,918,665	-0.30%
2011	14,717,438	481,300	37,680,587	34.731%	120,000	14,837,438	-0.54%
2012	14,717,438	-	35,402,744	36.655%	120,000	14,837,438	0.00%
2013	15,333,223	615,785	32,445,035	41.996%	150,000	15,483,223	4.35%
2014	15,793,220	459,997	34,210,957	41.437%	518,959	16,312,179	5.35%
2015	16,138,000	344,780	38,705,002	37.862%	635,267	16,773,267	2.83%
2016	16,825,900	687,900	40,933,710	37.902%	784,295	17,610,195	4.99%
2017	16,735,815	(90,085)	44,238,206	38.226%	2,190,526	18,926,341	7.47%
2018	17,426,900	691,085	46,102,556	37.971%	2,183,648	19,610,548	3.62%
2019	16,396,900	(30,000)	46,216,684	35.231%	2,183,600	19,580,500	-0.15%

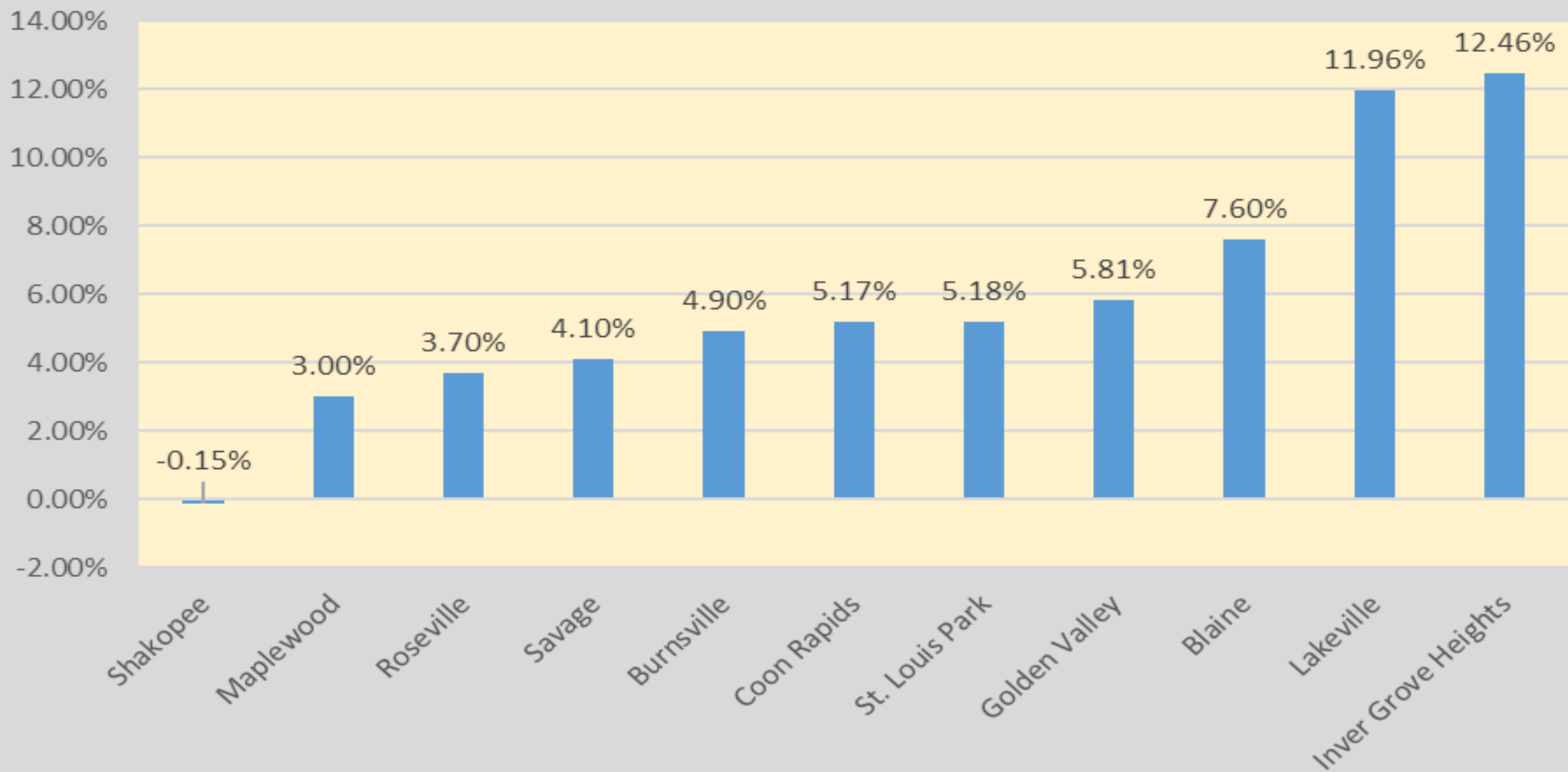
Levies include EDA and/or HRA respective levies



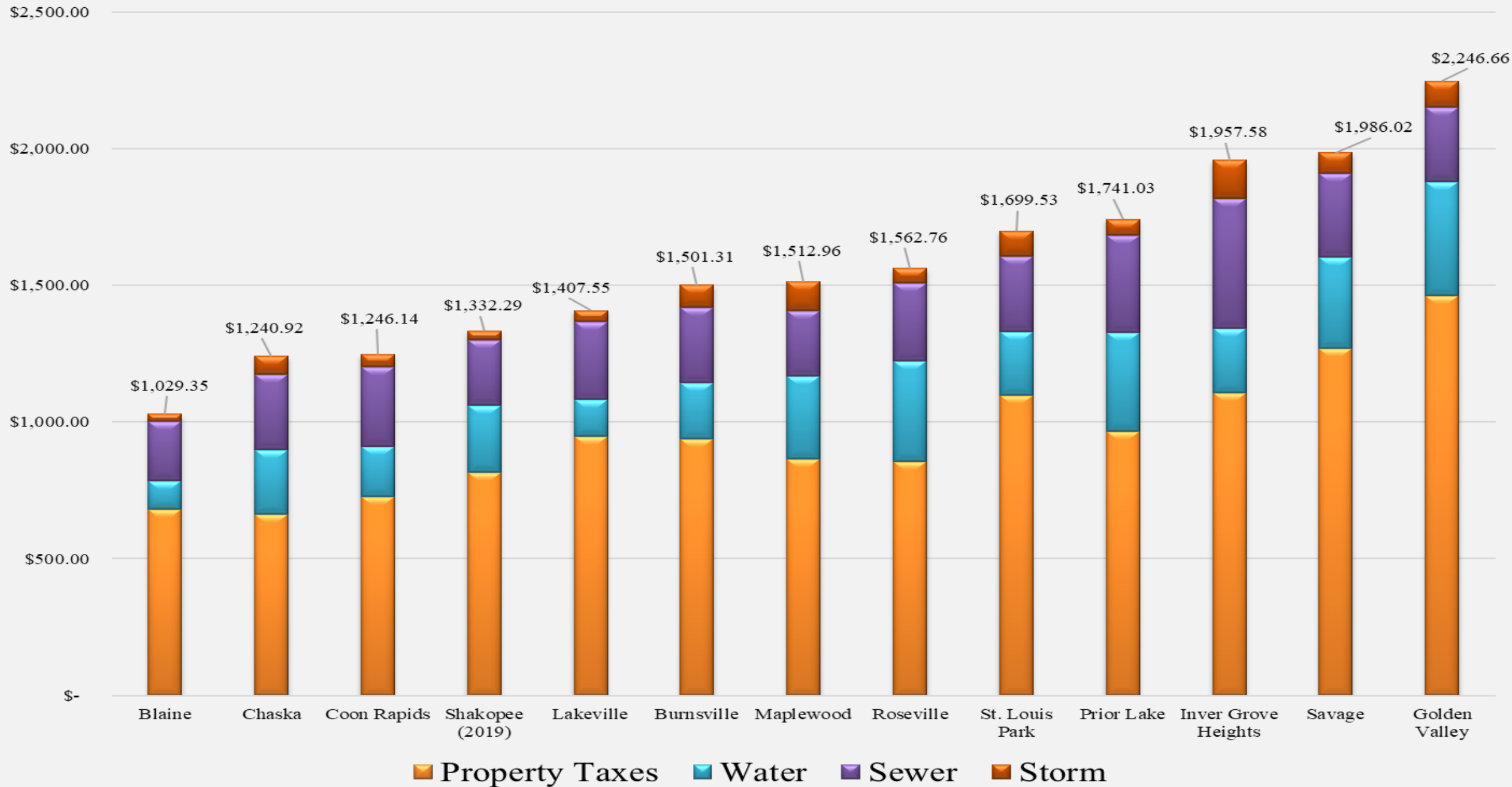
Tax Capacity & Tax Rate Comparison



2019 Preliminary Levies - Comparable Cities



2018 Annual Cost of Services for Comparable & Surrounding Cities



2019 Preliminary Budget & Levy

2019 Annual Budget GENERAL FUND SUMMARY

	Actual 2016	Actual 2017	Original Budget 2018	Revised Budget 2018	Requested Budget 2019
TAXES	17,437,731.06	16,771,524.02	17,529,000.00	17,183,000.00	17,174,900.00
SPECIAL ASSESSMENTS	15,817.76	3,874.61	7,000.00	7,300.00	7,300.00
LICENSES AND PERMITS	2,149,201.61	2,391,941.59	1,416,000.00	1,952,700.00	1,759,700.00
INTERGOVERNMENTAL	1,344,279.22	1,369,027.55	1,486,100.00	1,286,200.00	1,431,600.00
CHARGES FOR SERVICES	4,750,514.28	5,653,773.86	5,699,800.00	6,254,000.00	6,395,700.00
FINES AND FORFEITURES	11,213.08	2,718.80	1,500.00	800.00	1,000.00
MISCELLANEOUS	218,733.94	163,615.83	206,500.00	276,900.00	198,000.00
TOTAL REVENUES	25,927,490.95	26,356,476.26	26,345,900.00	26,960,900.00	26,968,200.00
GENERAL GOVERNMENT	(3,965,116.02)	(4,387,638.96)	(4,922,900.00)	(4,881,500.00)	(4,714,600.00)
PUBLIC SAFETY	(10,585,899.22)	(11,004,434.14)	(11,972,200.00)	(11,890,900.00)	(12,518,400.00)
PUBLIC WORKS	(4,840,832.19)	(5,032,230.39)	(5,670,000.00)	(5,623,700.00)	(5,924,400.00)
RECREATION	(2,452,507.54)	(3,111,739.77)	(3,792,300.00)	(3,812,400.00)	(3,907,300.00)
UNALLOCATED	(34,835.56)	(27,619.38)	(216,300.00)	(216,400.00)	(131,300.00)
DEBT SERVICE	0.00	(16,605.00)	(22,200.00)	(22,200.00)	(22,200.00)
CAPITAL OUTLAY	(37,422.57)	(93,341.00)	0.00	(175,000.00)	0.00
TOTAL EXPENDITURES	(21,916,613.10)	(23,673,608.64)	(26,595,900.00)	(26,622,100.00)	(27,218,200.00)
TRANSFERS IN	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00
PROCEEDS FROM SALE OF ASSETS	9,133.93	4,660.88	0.00	0.00	0.00
BOND PROCEEDS	0.00	79,100.00	0.00	0.00	0.00
TRANSFERS OUT	(3,348,754.50)	(1,800,000.00)	0.00	0.00	0.00
TOTAL OTHER FINANCING	(3,089,620.57)	(1,466,239.12)	250,000.00	250,000.00	250,000.00
NET	921,257.28	1,216,628.50	0.00	588,800.00	0.00

2019 Proposed Budget Workshop

- Other Funds
 - Special Revenue Fund – EDA – pg. 123
 - Debt Service Funds – pg. 129
 - Capital Projects Funds
 - Park Reserve Fund – pg. 134
 - Capital Improvement Fund – pg. 136
 - Enterprise Funds
 - Sewer Fund – pg. 142
 - Surface Water Fund – pg. 146
 - Refuse Fund – pg. 150
 - Internal Service Funds
 - Equipment – pg. 154
 - Park & Recreation Asset – pg. 156
 - Information Technology – pg. 158
 - Building Asset – pg. 160
 - Self Insurance – pg. 162



2019 Proposed Budget Workshop

- Next Steps
 - December 4th
 - EDA approval of EDA levy
 - City Council Budget Public Meeting
 - 2018 Fee Schedule tentatively scheduled for City Council approval
 - December 18th
 - Council approves levy and budget

