

City of Shakopee Long-term Financial Plan

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 impact the City's financial condition.



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:

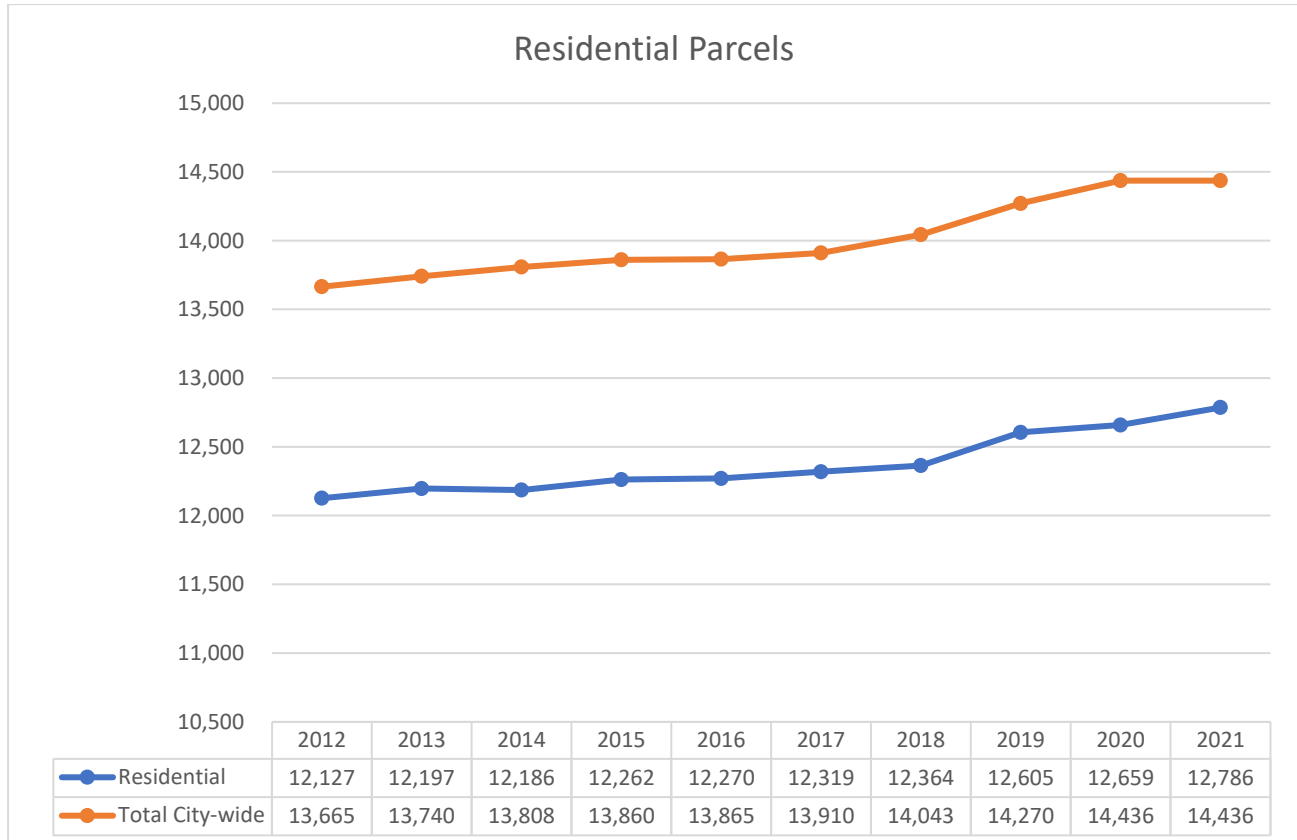
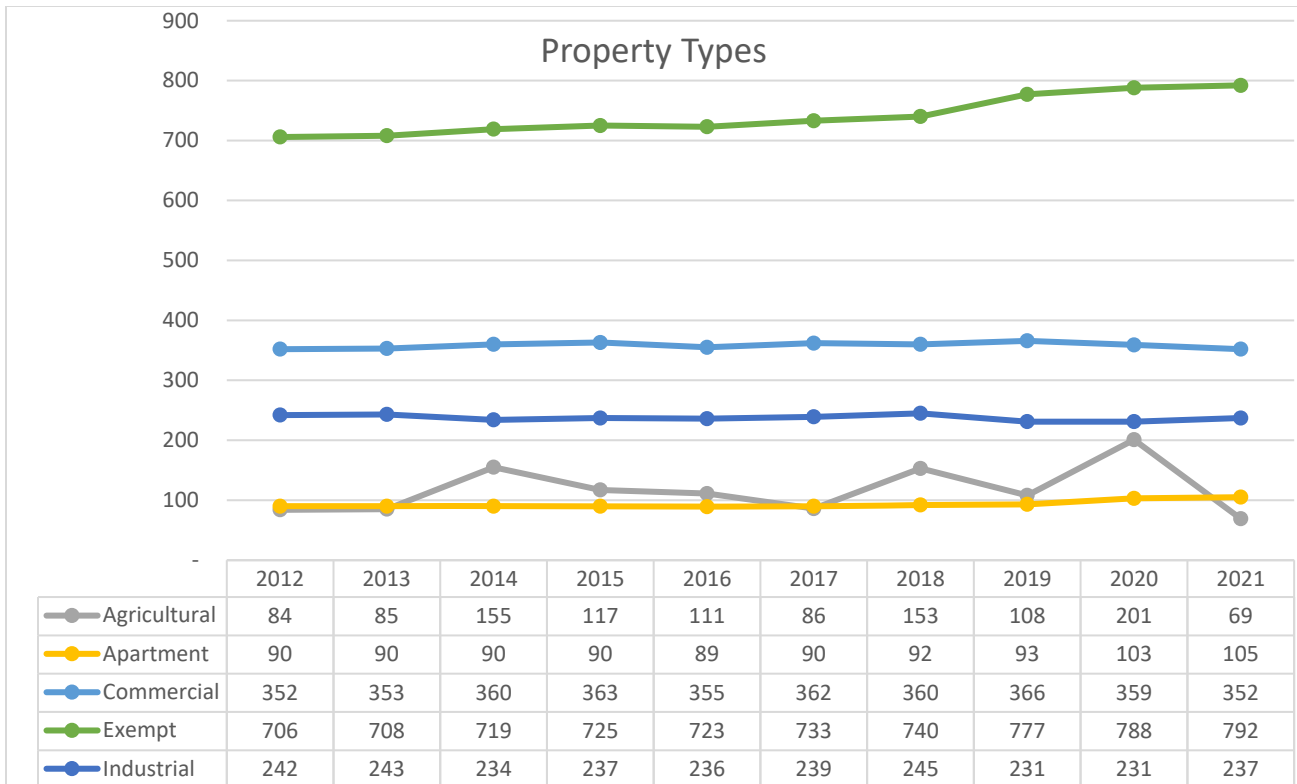
- a. Property Types
- b. Market Value, Tax Capacity, Adjustments
- c. Levy Components, Taxes, Tax Rates
- d. Population
- e. Staffing

This report examines these trends in determining the current and anticipated financial condition of the City of Shakopee.

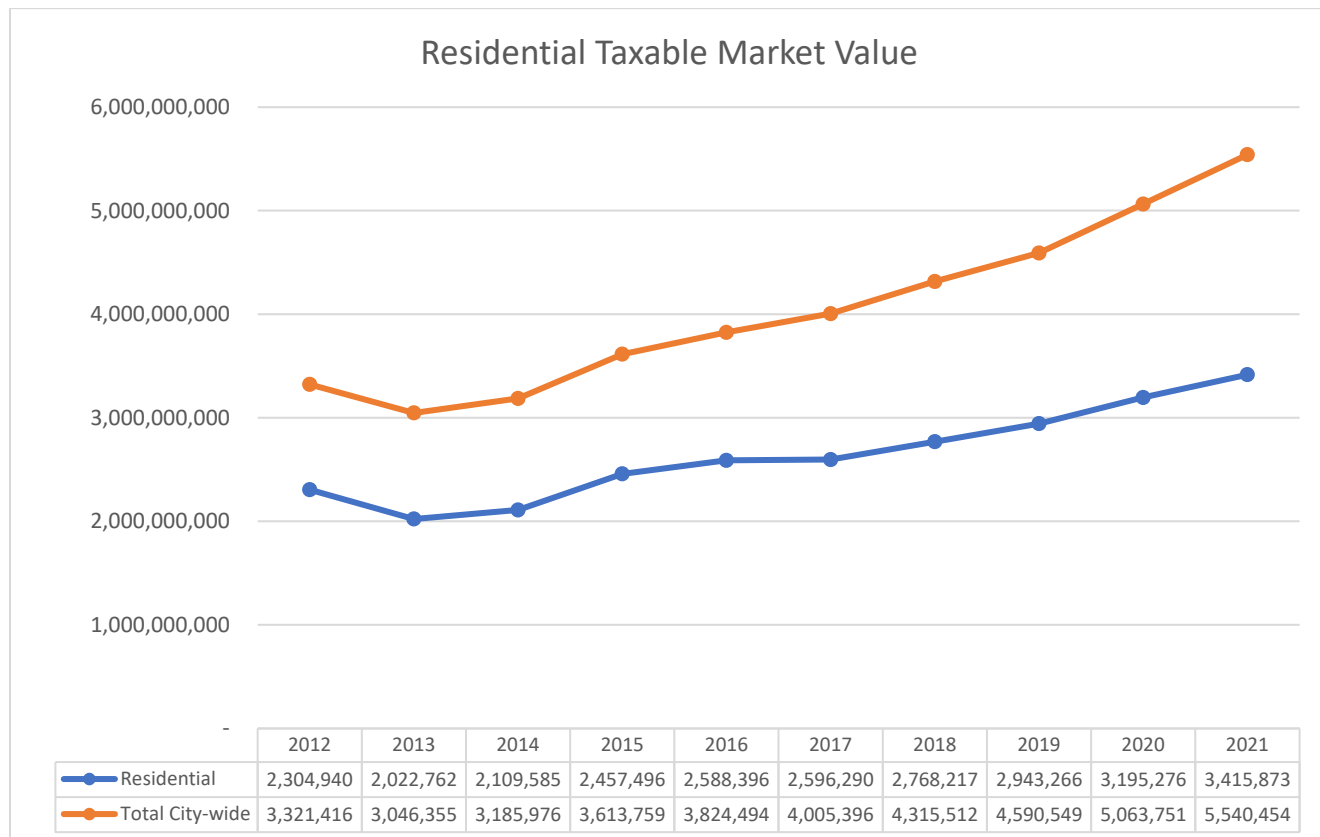
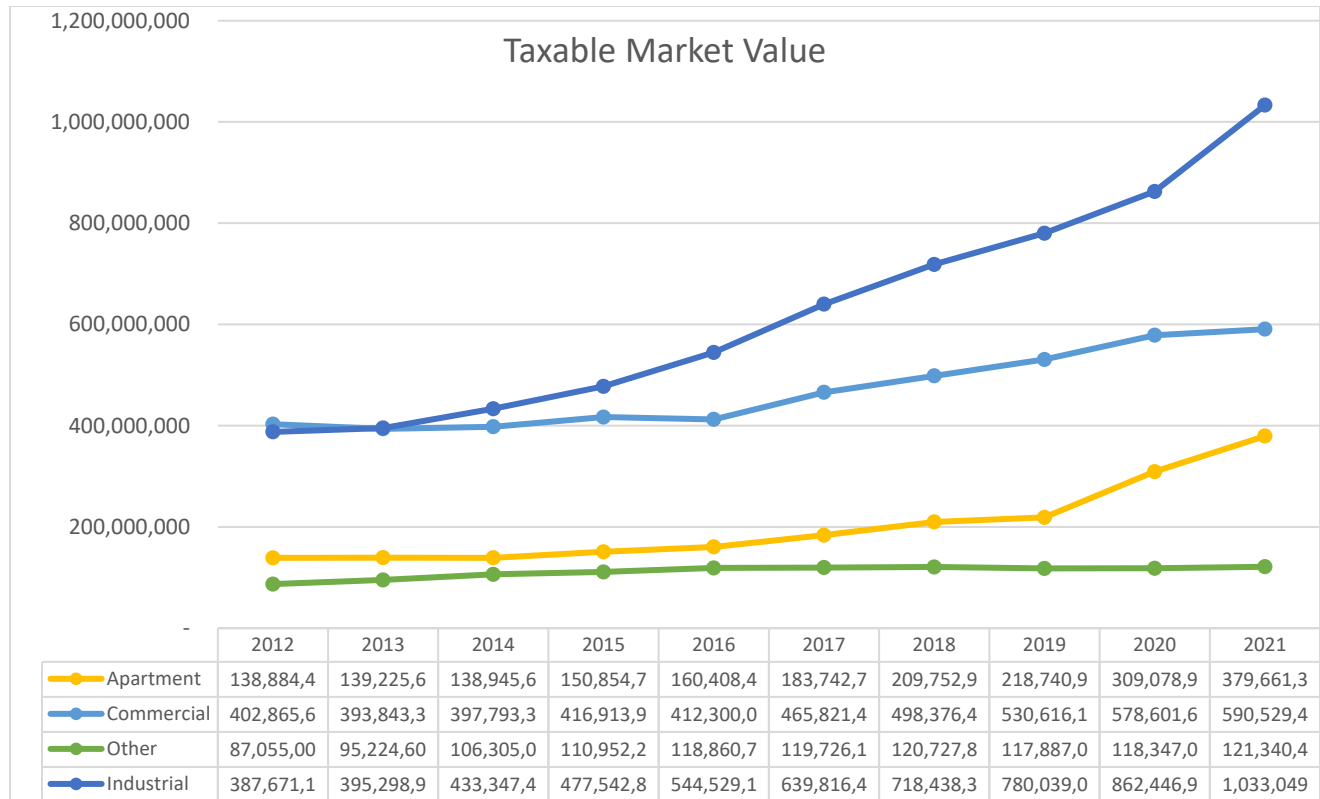
General Fund Projections

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.

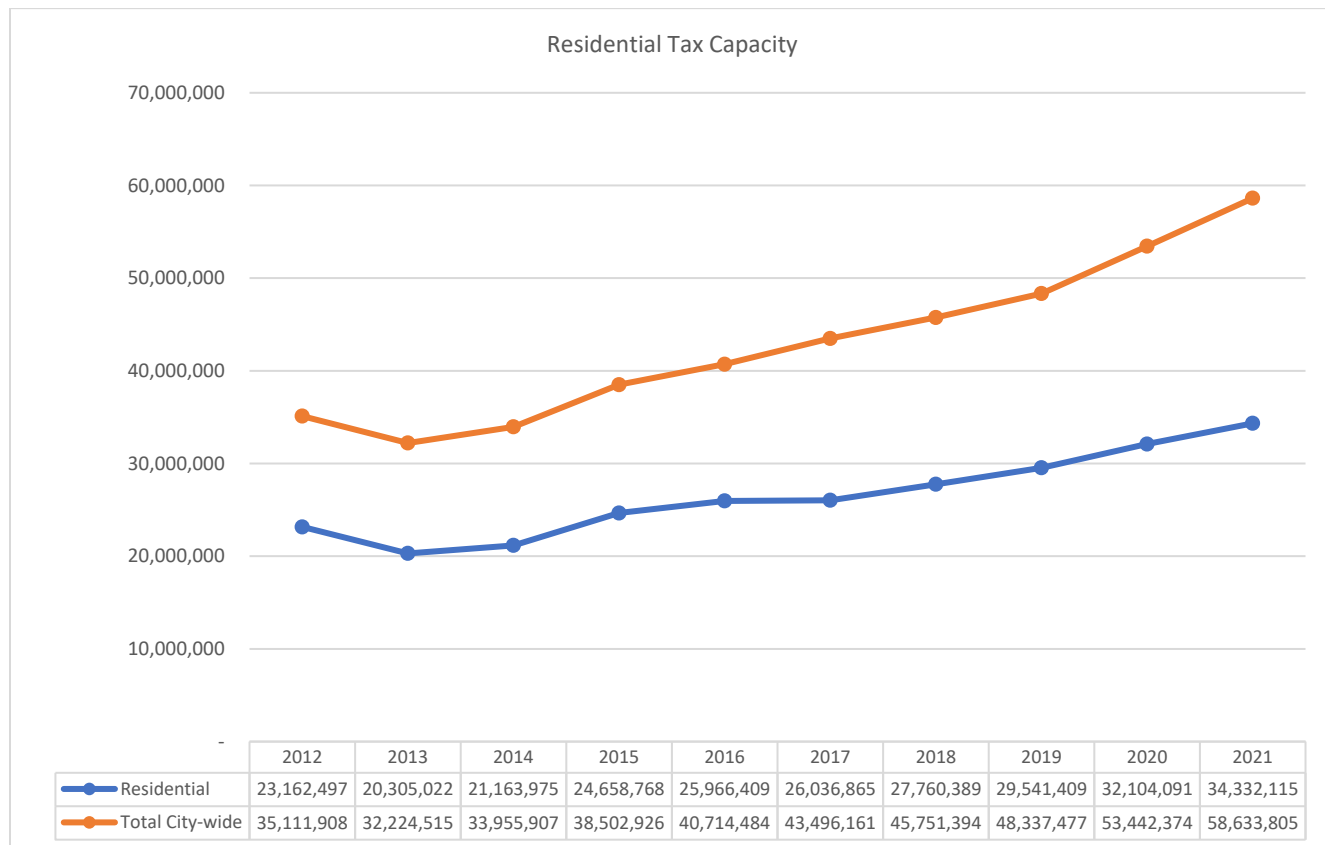
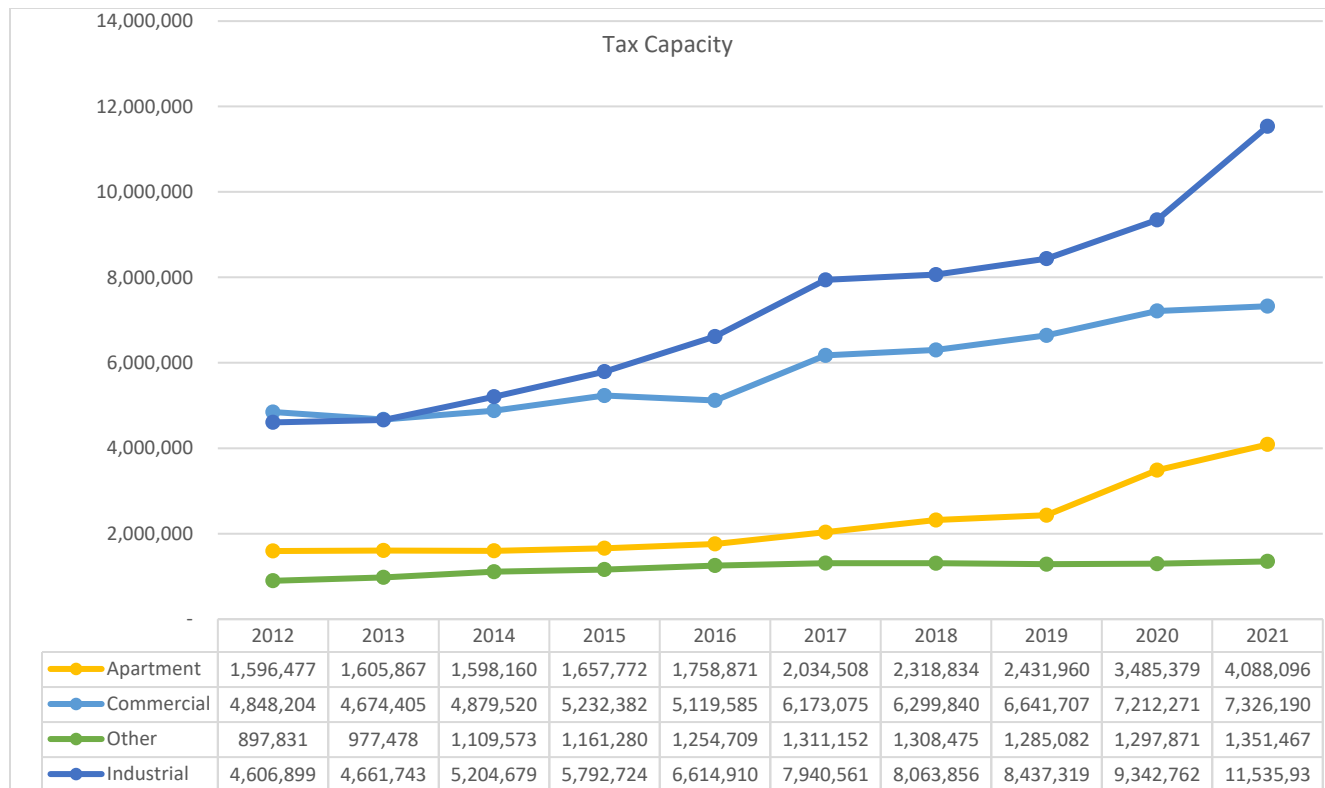
Property Types (parcels)



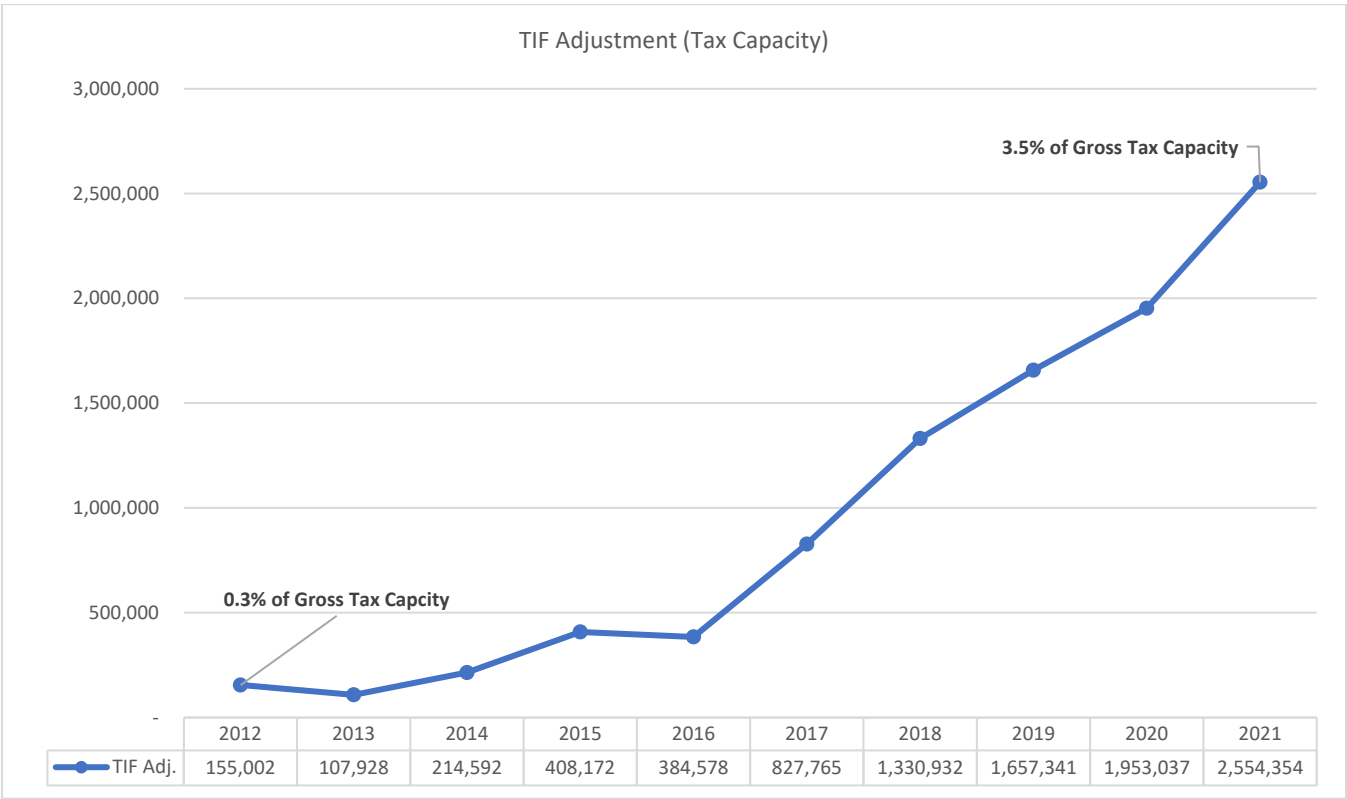
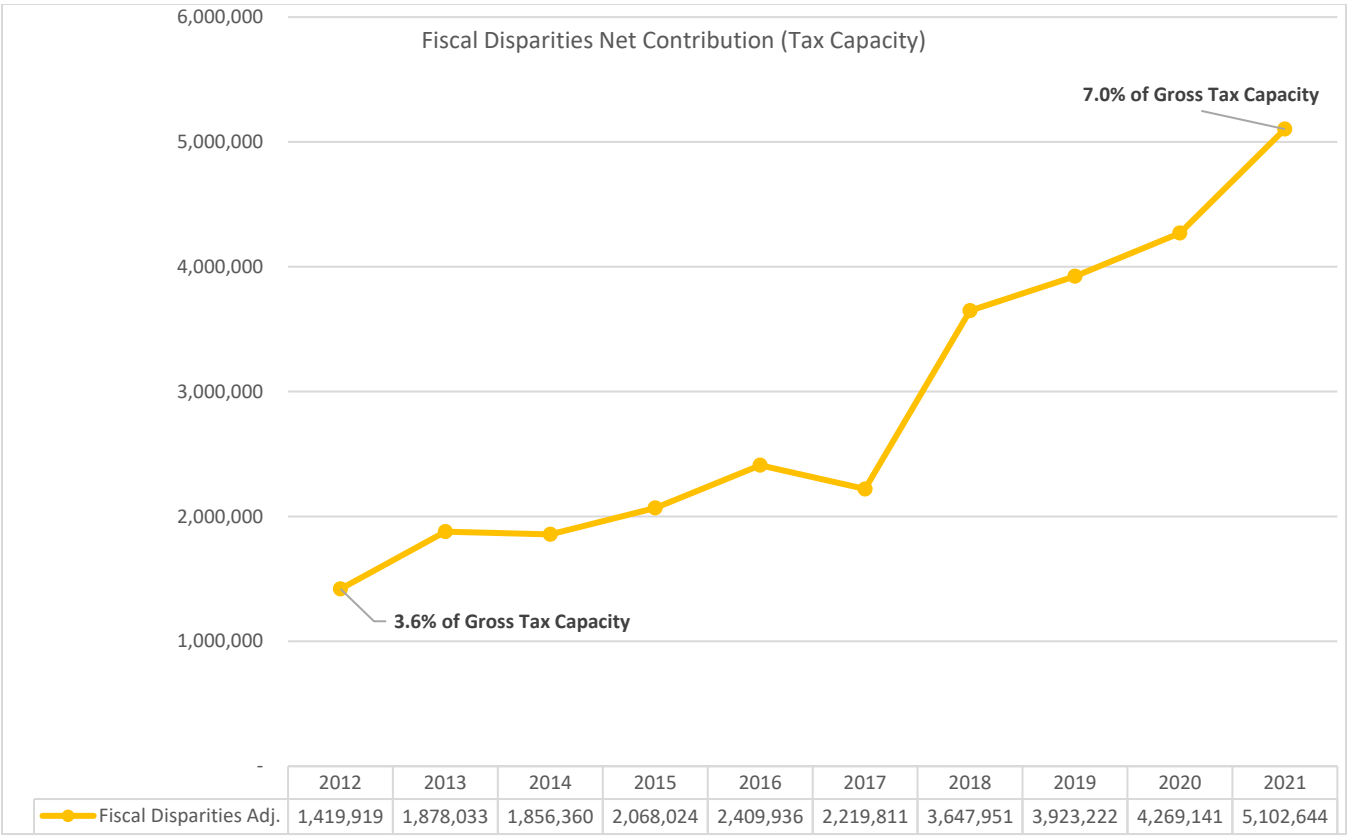
Taxable Market Value



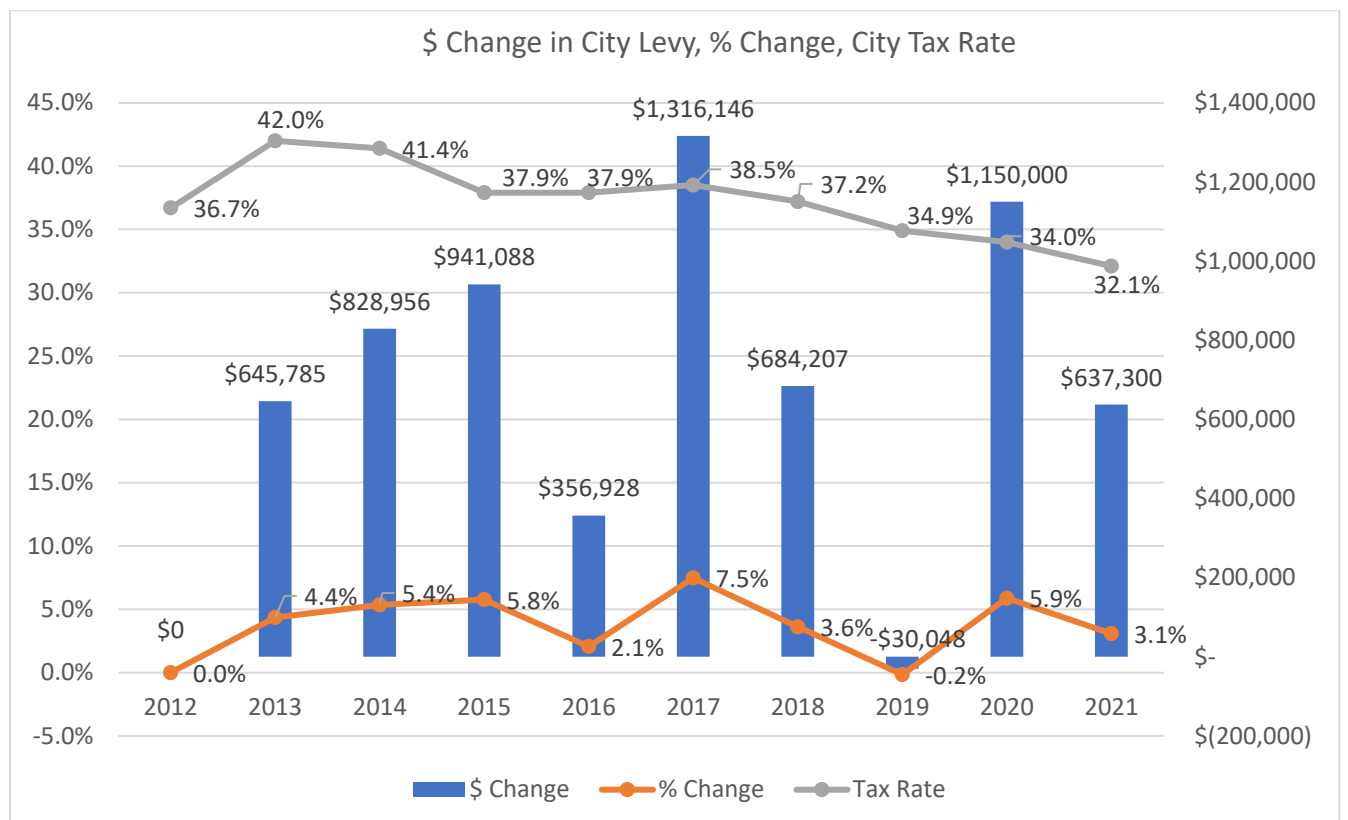
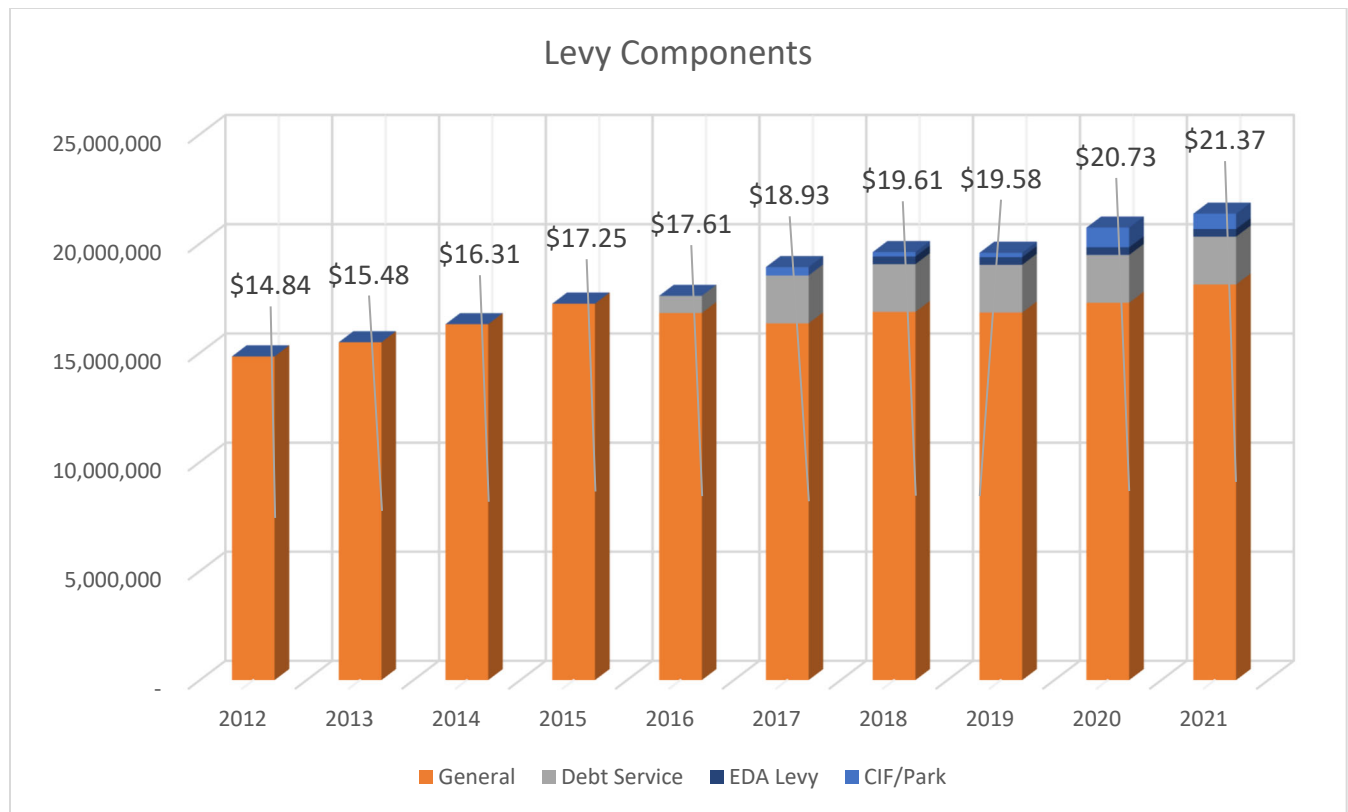
Tax Capacity



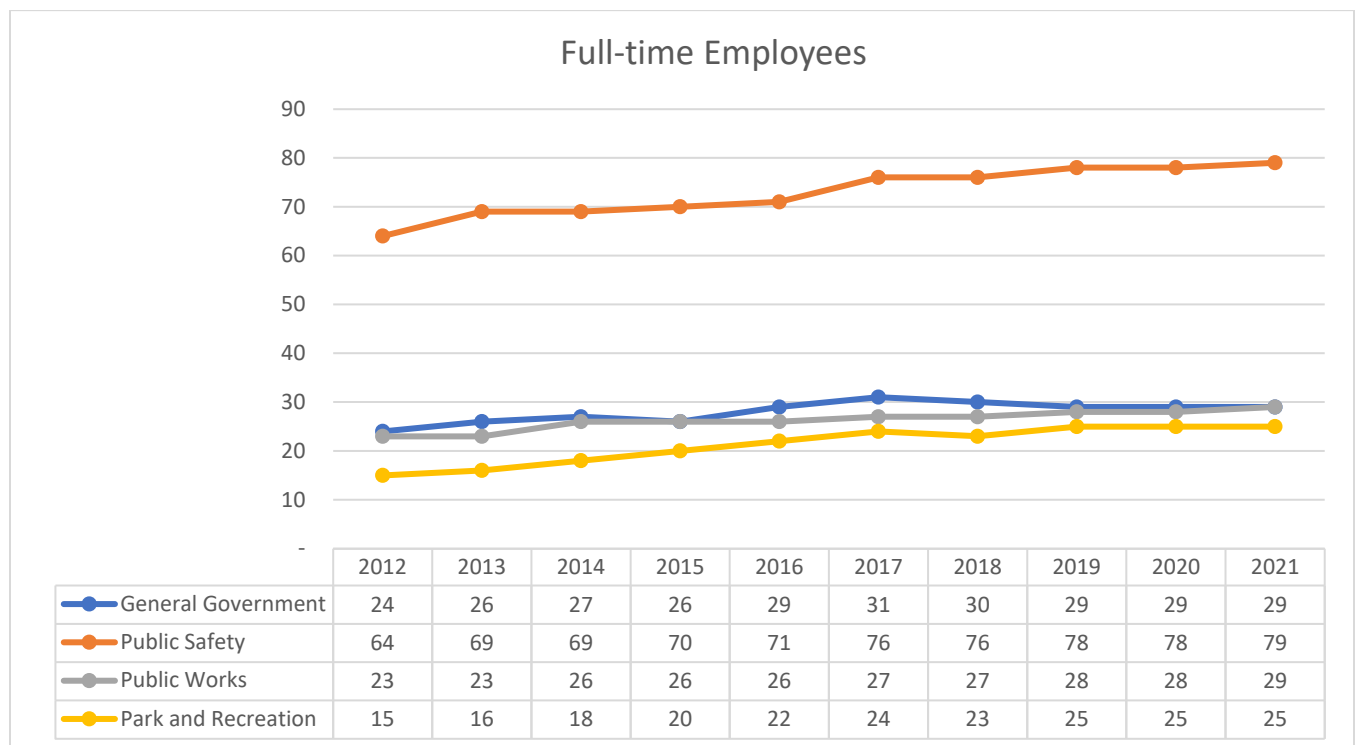
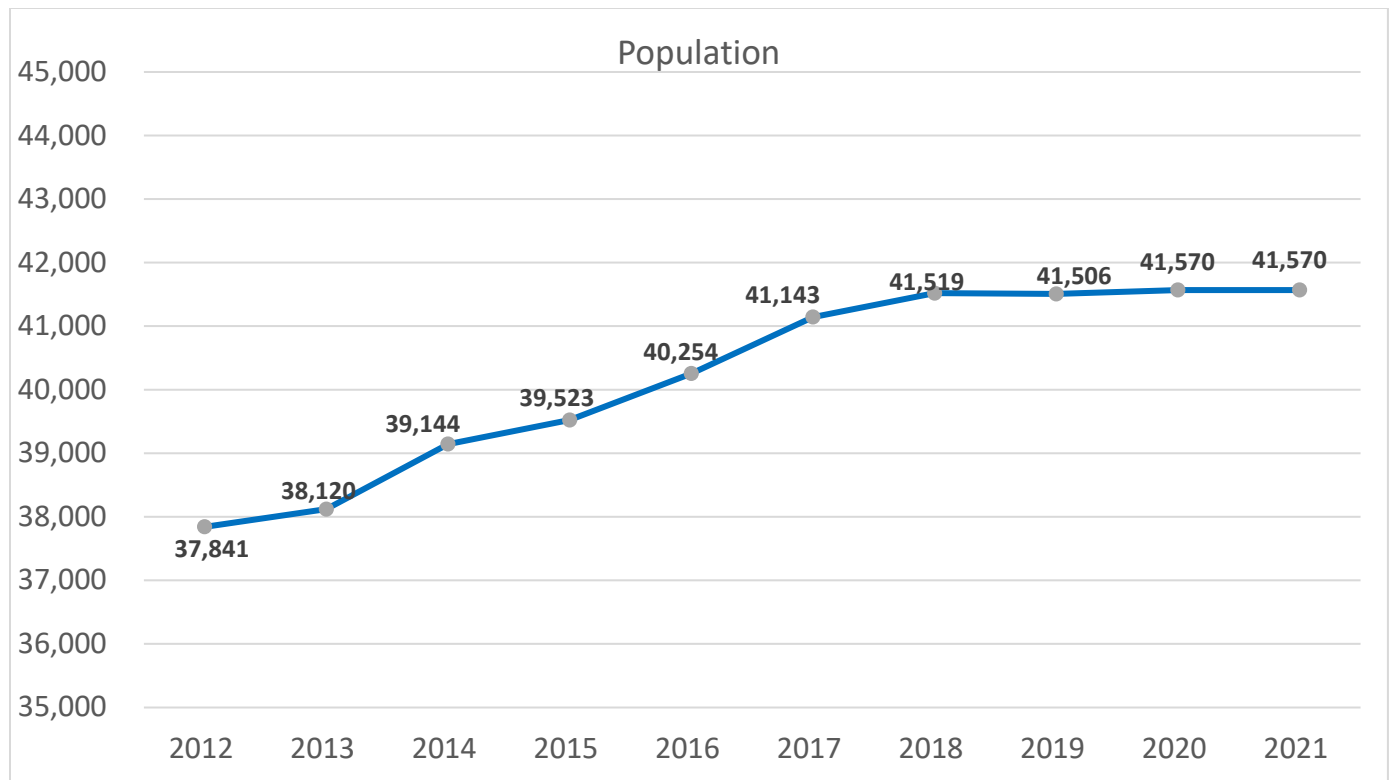
Tax Capacity Adjustments



Levy Components, Taxes & Tax Rates



Population, City Employees



General Fund Projections

Baseline Data

- Revenue and expenditures projections are based on current year budgeted amounts (2021).

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 2021 and projected out to future years. The taxable market value and net tax capacity is projected to increase 5% annually, which the median value home is projected to increase 3% annually.
- Number of households and population data is based on Met Council estimates and their 2030 forecast. Equal annual adjustments have been made based on those long range forecasts.

2021 General Fund Annual Budget Projection															
		Original Budget													
GENERAL FUND	Actual 2019	Budget 2020	Budget 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Inflation Assumptions:	
01000 - GENERAL FUND															
REVENUES:														Revenues:	
Taxes	16,375,597	17,584,900	18,368,600	19,149,266	19,963,110	20,811,542	21,696,033	22,618,114	23,579,384	24,581,508	25,626,222	26,715,336	27,850,738	4.25%	
Special Assessments	6,484	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	0.00%	
Licenses and Permits	5,076,198	2,191,100	2,139,100	2,203,273	2,269,371	2,337,452	2,407,576	2,479,803	2,554,197	2,630,823	2,709,748	2,791,040	2,874,771	3.00%	
Intergovernmental	1,573,435	1,326,600	1,441,200	1,484,436	1,528,969	1,574,838	1,622,083	1,670,745	1,720,867	1,772,493	1,825,668	1,880,438	1,936,851	3.00%	
Charges for Services	7,084,697	6,778,500	6,929,500	7,137,385	7,351,507	7,572,052	7,799,214	8,033,190	8,274,186	8,522,412	8,778,084	9,041,427	9,312,670	3.00%	
Fines and Forfeits	8,138	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	581,819	208,200	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	0.00%	
Proceeds From Debt Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
Transfers In	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	0.00%	
Gain/Loss on Asset Disposal	578	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
REVENUES	30,956,946	28,348,000	29,372,100	30,468,060	31,606,657	32,789,584	34,018,606	35,295,552	36,622,334	38,000,936	39,433,422	40,921,941	42,468,730		
EXPENDITURES:														Expenditures:	
General Government	4,751,861	4,880,700	4,817,500	4,949,981	5,086,105	5,225,973	5,369,687	5,517,353	5,669,080	5,824,980	5,985,167	6,149,759	6,318,877	2.75%	
Public Safety	12,744,683	13,264,200	13,895,700	14,347,310	14,813,598	15,295,040	15,792,129	16,305,373	16,835,298	17,382,445	17,947,374	18,530,664	19,132,911	3.25%	
Public Works	3,705,801	6,657,400	6,849,300	7,037,656	7,231,192	7,430,050	7,634,376	7,844,321	8,060,040	8,281,691	8,509,438	8,743,448	8,983,893	2.75%	
Park and Recreation	6,169,452	4,210,400	4,178,400	4,293,306	4,411,372	4,532,685	4,657,334	4,785,411	4,917,010	5,052,228	5,191,164	5,333,921	5,480,604	2.75%	
Miscellaneous	25,251	130,300	131,200	131,200	131,200	131,200	131,200	131,200	131,200	131,200	131,200	131,200	131,200	0	
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
EXPENDITURES	27,397,048	29,143,000	29,872,100	30,759,453	31,673,467	32,614,948	33,584,726	34,583,658	35,612,628	36,672,544	37,764,343	38,888,992	40,047,485		
REVENUE OVER (UNDER) EXPENSES	3,559,898	(795,000)	(500,000)	(291,393)	(66,810)	174,636	433,880	711,894	1,009,706	1,328,392	1,669,079	2,032,949	2,421,245		
FUND BALANCE	12,319,444	15,879,342	15,084,342	15,084,342	14,792,949	14,726,139	14,900,775	15,334,655	16,046,549	17,056,255	18,384,647	20,053,726	22,086,675		
ENDING FUND BALANCE	15,879,342	15,084,342	14,584,342	14,792,949	14,726,139	14,900,775	15,334,655	16,046,549	17,056,255	18,384,647	20,053,726	22,086,675	24,507,920		
50% Fund Balance Policy	\$ 14,571,500	\$ 14,936,050	\$ 15,379,727	\$ 15,836,734	\$ 16,307,474	\$ 16,792,363	\$ 17,291,829	\$ 17,806,314	\$ 18,336,272	\$ 18,882,172	\$ 19,444,496	\$ 20,023,743			
Excess Fund Balance	\$ 1,307,842	\$ 148,292	\$ (795,385)	\$ (1,043,785)	\$ (1,581,335)	\$ (1,891,588)	\$ (1,957,174)	\$ (1,759,765)	\$ (1,280,017)	\$ (497,525)	\$ 609,230	\$ 2,062,932			
Revenue Changes (without Transfers)	9.2%	-8.5%	3.6%	3.7%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%		
Expenditure Changes (without Transfers)	6.0%	6.4%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
Property Tax Levy	\$ 19,230,500	\$ 20,380,500	\$ 21,017,800	\$ 21,911,057	\$ 22,842,276	\$ 23,813,073	\$ 24,825,129	\$ 25,880,197	\$ 26,980,105	\$ 28,126,760	\$ 29,322,147	\$ 30,568,338	\$ 31,867,492	4.25%	
Taxable Market Value	4,590,549,000	5,063,751,000	5,540,454,000	5,817,476,700	6,108,350,535	6,413,768,062	6,734,456,465	7,071,179,288	7,424,738,252	7,795,975,165	8,185,773,923	8,595,062,620	9,024,815,751	5.00%	
Net Tax Capacity	48,623,147	53,424,462	58,633,805	61,565,495	64,643,770	67,875,959	71,269,756	74,833,244	78,574,906	82,503,652	86,628,834	90,960,276	95,508,290	5.00%	
Tax Capacity Rate	34.943%	33.965%	32.104%	32.026%	31.942%	31.851%	31.754%	31.652%	31.545%	31.432%	31.315%	31.194%	31.069%		
Median Value Home	232,200	251,000	266,800	274,804	283,048	291,540	300,286	309,294	318,573	328,130	337,974	348,113	358,557	3.00%	
Tax on Median Value Home	754	803	814	840	867	894	921	949	978	1,007	1,037	1,067	1,099		
Number of Households	15,942	16,300	16,610	16,920	17,230	17,540	17,850	18,160	18,470	18,780	19,090	19,400	19,710		
Population	41,506	41,570	43,003	44,436	45,869	47,302	48,735	50,168	51,601	53,034	54,467	55,900	57,333		
Taxes Per Capita	\$ 463.32	\$ 490.27	\$ 488.75	\$ 493.09	\$ 497.99	\$ 503.43	\$ 509.39	\$ 515.87	\$ 522.86	\$ 530.35	\$ 538.35	\$ 546.84	\$ 555.83		
Notes: Population and number of household estimates based on Met Council projections (estimated 2020 and projected 2030). The 2021 Budget year is the base year for future projections.															