

CITY OF WASECA TRUTH IN TAXATION HEARING

December 6, 2011

Agenda

- Budget Process
- Recommended Levy
- Property Taxation
 - Market Value Exclusion
- Revenue Overview
- Expenditure Overview
- Public Hearing

Purpose of this hearing

- Discuss the 2012 Recommended Budget
- Discuss the 2012 Recommended Tax Levy
- To hear input from the public on the proposed property tax levy for City services in 2012

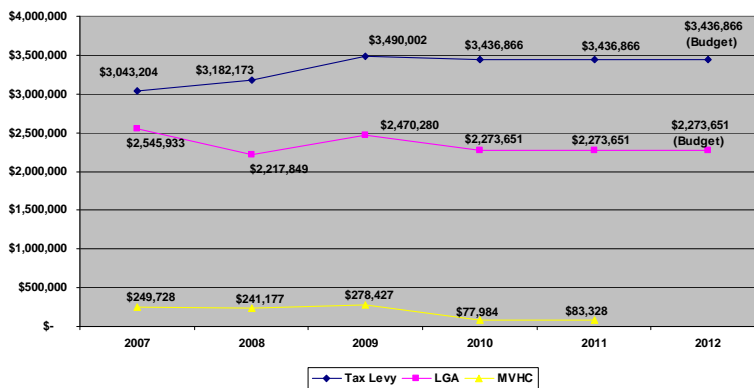
Budget Process

- Planning (June – Aug.)
 - Review of budget timelines and discussion on 2012 financial outlook and key issues.
- Department Budget Requests (July – Aug.)
 - Administration review of department requests
 - *August 1st, Council approved mid-year reductions of \$632,096*
- City Manager's Recommended Budget (Sept.)
- City Council Review (Aug. – Nov.)
 - Council Action: Preliminary Levy Set
 - Truth-in-taxation notices mailed to property owners
- Final Review and Adoption of Budget (Dec.)
 - Truth-in-taxation hearing
 - Council Action: 2012 Final Budget & Levy

2012 Recommended Levy

	2011 Adopted Levy	2012 Recommended Levy	Change
City Levy	\$3,436,866	\$3,436,866	\$ 0
Economic Development Authority	\$81,600	\$80,260	(\$1,340)
Levy Total	\$3,518,466	\$3,517,126	(\$1,340)

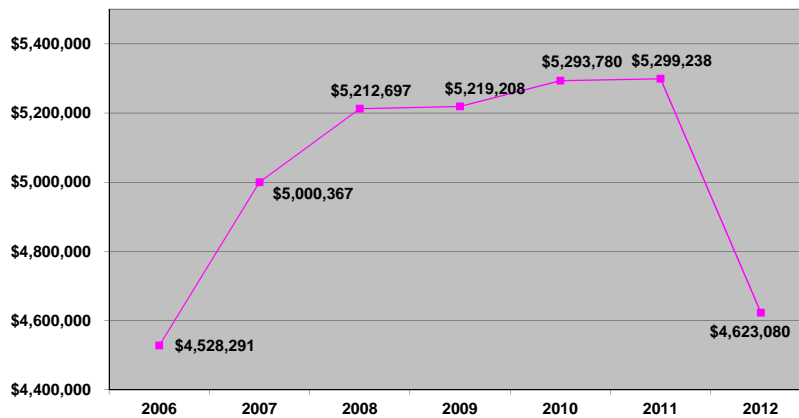
State Property Tax Aid



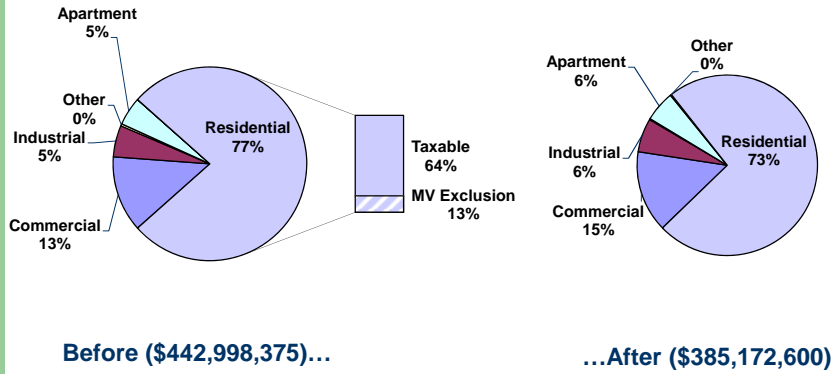
Market Value Exclusion

	2011	2012	% Change
Market Value	453,391,500	442,988,375	-2.3%
Exclusion	-	57,815,775	
Taxable Market Value	453,391,500	385,172,600	-15.0%
Tax Capacity	5,299,238	4,623,080	-12.8%

Tax Capacity (12.8% Decrease)



The Market Value “Shift”

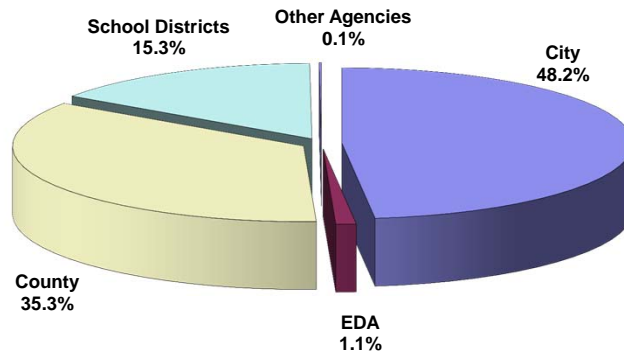


Market Value Exclusion

Effect of MVHC Law Changes of Tax Burdens on Hypothetical Properties
(Based on 2011 Market Values and includes County, City, School District and Special Districts)

Description	Taxable Market Value	Net Tax		Change	% Change
		Old	New		
Residential	\$ 82,700	\$ 864	\$ 834	\$ (30)	-3.4%
Residential	123,900	1,480	1,526	46	3.1%
Residential	165,200	2,097	2,219	122	5.8%
Residential	247,800	3,331	3,606	275	8.2%
Apartment	300,000	5,225	5,751	526	10.1%
Commercial/Industrial	150,000	4,216	4,532	316	7.5%
Commercial/Industrial	300,000	9,810	10,546	736	7.5%
Commercial/Industrial	1,000,000	35,911	38,611	2,700	7.5%

How are your Taxes Distributed?



*Based on 2011 Property Tax Levies

2012 Revenue/Expenditures

Budget Summary - Governmental Funds (Includes EDA)*

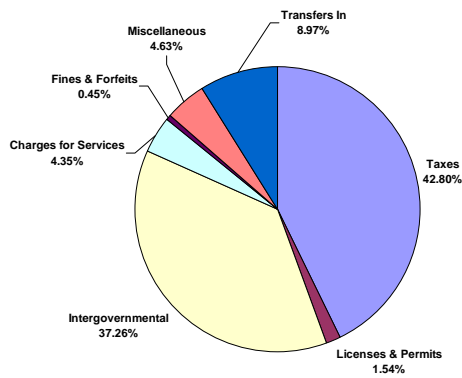
	2011 Budget	2012 Budget	Change
Revenues	\$9,232,368	\$8,757,017	(\$475,351)
Expenses	\$9,498,978	\$8,788,998	(\$709,980)

*Excludes internal activity between governmental funds

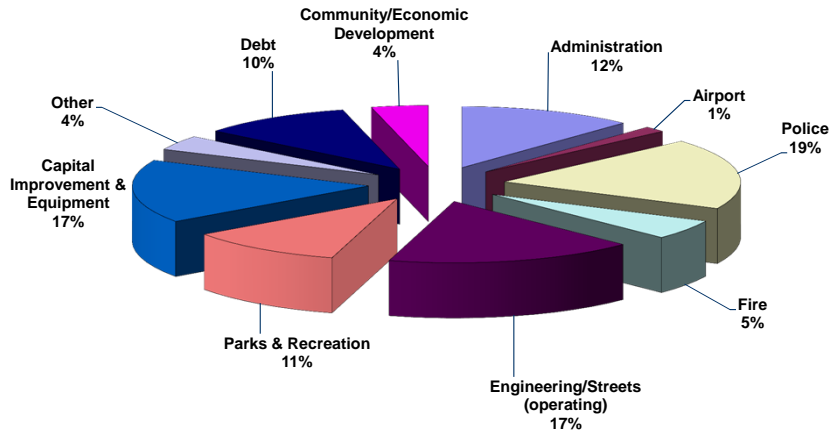
2012 Proposed Levy - \$3,436,866

2012 Changes	Impact on Levy
LGA Revenue (decrease)	\$408,565
Elections	20,150
Engineering	50,000
Equipment Replacement Transfer	101,559
CIP Transfer	53,235
2011 Mid-Year On-going Reductions	(440,672)
Health Insurance	(18,397)
Water Park Transfer	(25,000)
Fire Relief Transfer	(15,843)
Surface Water Mgmt. Professional Services	(45,000)
Insurance	(35,565)
Non-departmental (2011 One-time Expenses)	(27,400)
Net Misc. Revenue/Other	(25,632)
Net Impact	(0)
2012 Levy	\$3,436,866

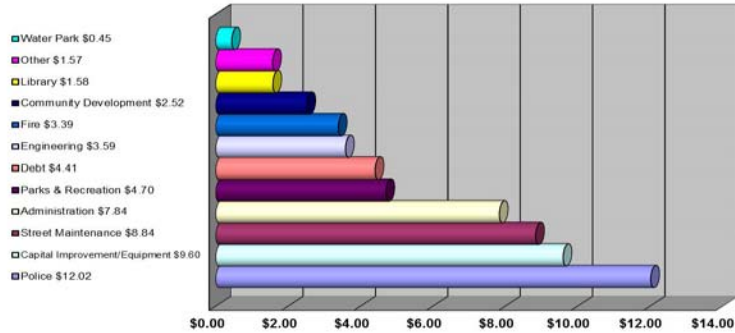
2012 Budgeted Governmental Revenue Sources



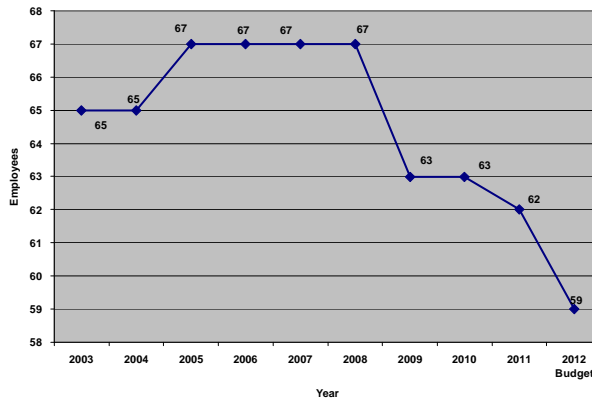
2012 Budgeted Governmental Expenditure Breakdown



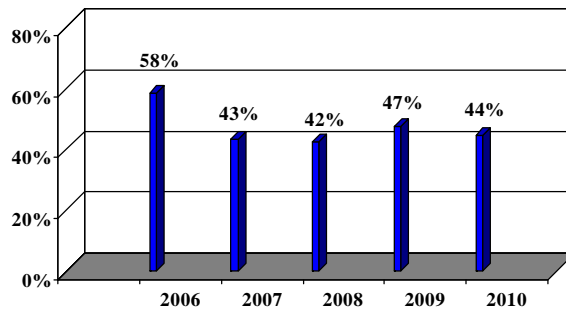
2012 Average Monthly City/EDA Taxes (Approximately \$60)



Full-time Employees



General Fund - Unreserved Fund Balance to General Fund Expenditures



Capital Equipment/Capital Improvements

Equipment Replacement		2012 CIP	
Police Vehicle (Marked)	\$37,600	Sidewalks	\$10,000
1 Ton Truck	33,000	Walkway	\$8,000
¾ Ton Truck	33,000	Street	\$707,356
Mower (Snow Blower)	7,000	Water Resource Center	\$21,315
Snow Blower	135,000	Total	\$746,671
Engineering GPS Equipment	5,000		
Vac Tron	47,000		
Asphalt Zipper Side Shift	12,800		
FM Radio and Repeater Upgrade	3,800		
Microsoft Office Upgrade	25,300		
Total	\$339,500		

Final Steps

- Truth In Taxation Hearing
 - Open Discussion/ Comments
 - Adoption of the Final tax levy
 - Adoption of the 2012 City of Waseca Budget