



2019 Proposed Budget

September 17, 2018



Agenda

- Budget Highlights
- Property Tax
- Tax Base
 - Taxable Market Value, Tax Capacity, Tax Levy, Tax Rate
 - Tax Impact on Homes & Businesses
 - Comparable City Tax Rates
- Capital Investment
 - Annual Allocation
 - Infrastructure and Maintenance
 - 2019-2028 CIP Discussion
 - Equipment and Vehicle Replacement
 - Facilities Replacement
 - Caswell Investment

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Budget Highlights

- North Mankato is growing – Updated from County
 - 9% increase in market value ~102 million
 - New construction ~14 million (14% of increase)
 - Annexations ~1 million (1% increase)
 - Value increases account for balance
- Based on updated Assessor figures, tax rate estimated to decrease 0.8% to 51.3%
 - \$600K in new taxes to be captured

Budget Highlights, cont.

- All funds meet budget reserve policies as established by the City Council
- No new FTEs for 2019, but includes new street and police employees approved in 2018 being added to budget moving forward
- Utility Rates
 - Recycling rate increases

All sizes - \$1.00/month

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Property Tax

- The total general property taxes proposed by the City of North Mankato for 2019 is \$6,895,397
 - General Fund \$ 5,251,607
 - Port Authority \$ 75,000
 - Debt Service \$ 1,375,458
 - Abatement Levy \$ 193,332
- Proposed 2019 levy dollar amount is \$606,000 more than the 2018 levy
- Tax Rate = Tax Levy/Total Tax Capacity
 - Total tax capacity increase is larger than the tax levy increase which leads to a decrease in tax rate

52.124

2018



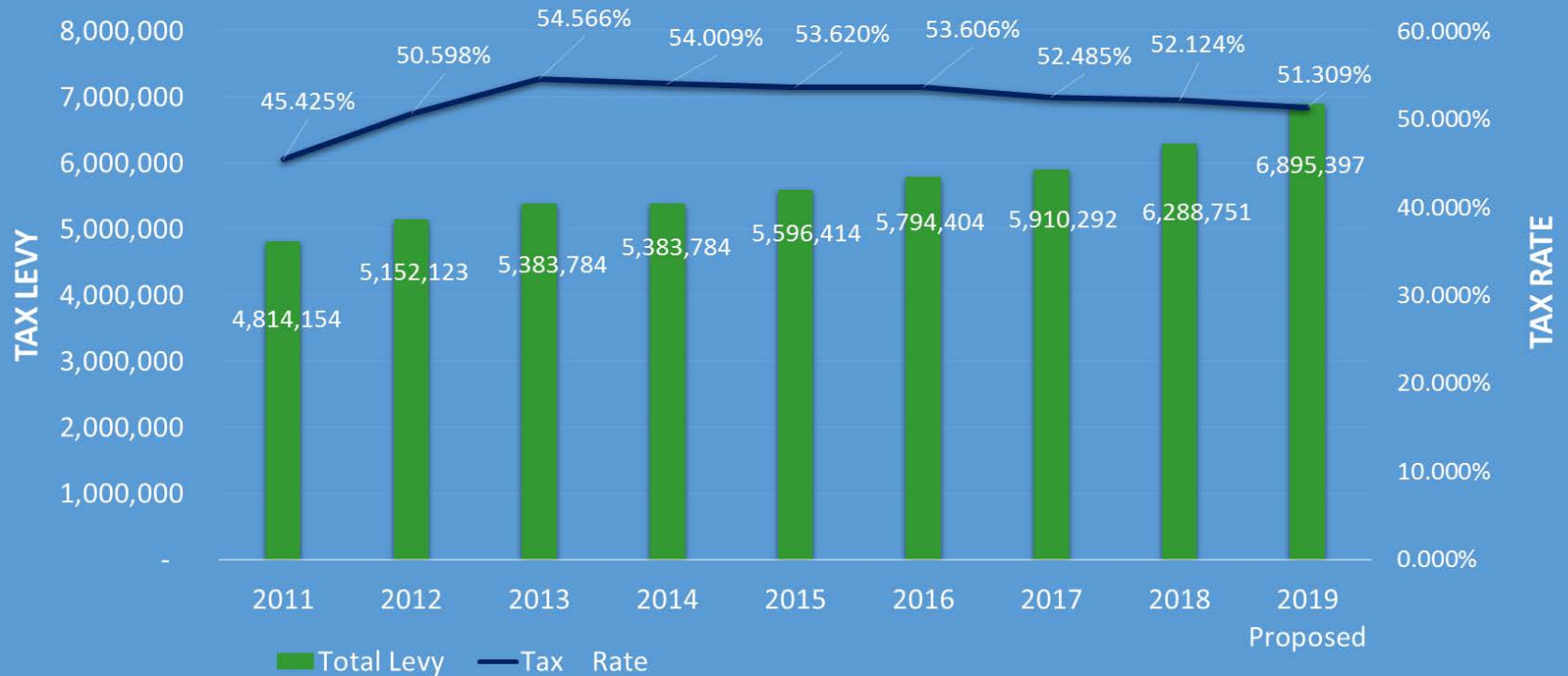
51.309

2019

Property Tax, cont.

	2018 Amount	2019 Amount	Dollar Amount	% Change
General Fund Levy	\$ 4,621,889	\$ 5,251,607	\$ 629,718	13.62%
Port Authority	75,000	75,000	\$ -	0.00%
Debt Service	1,370,848	1,375,458	\$ 4,610	0.34%
Tax Abatement	221,014	193,332	\$ (27,682)	(12.52)%
Total Tax Levy	\$ 6,288,751	\$ 6,895,397	\$ 606,646	9.65%

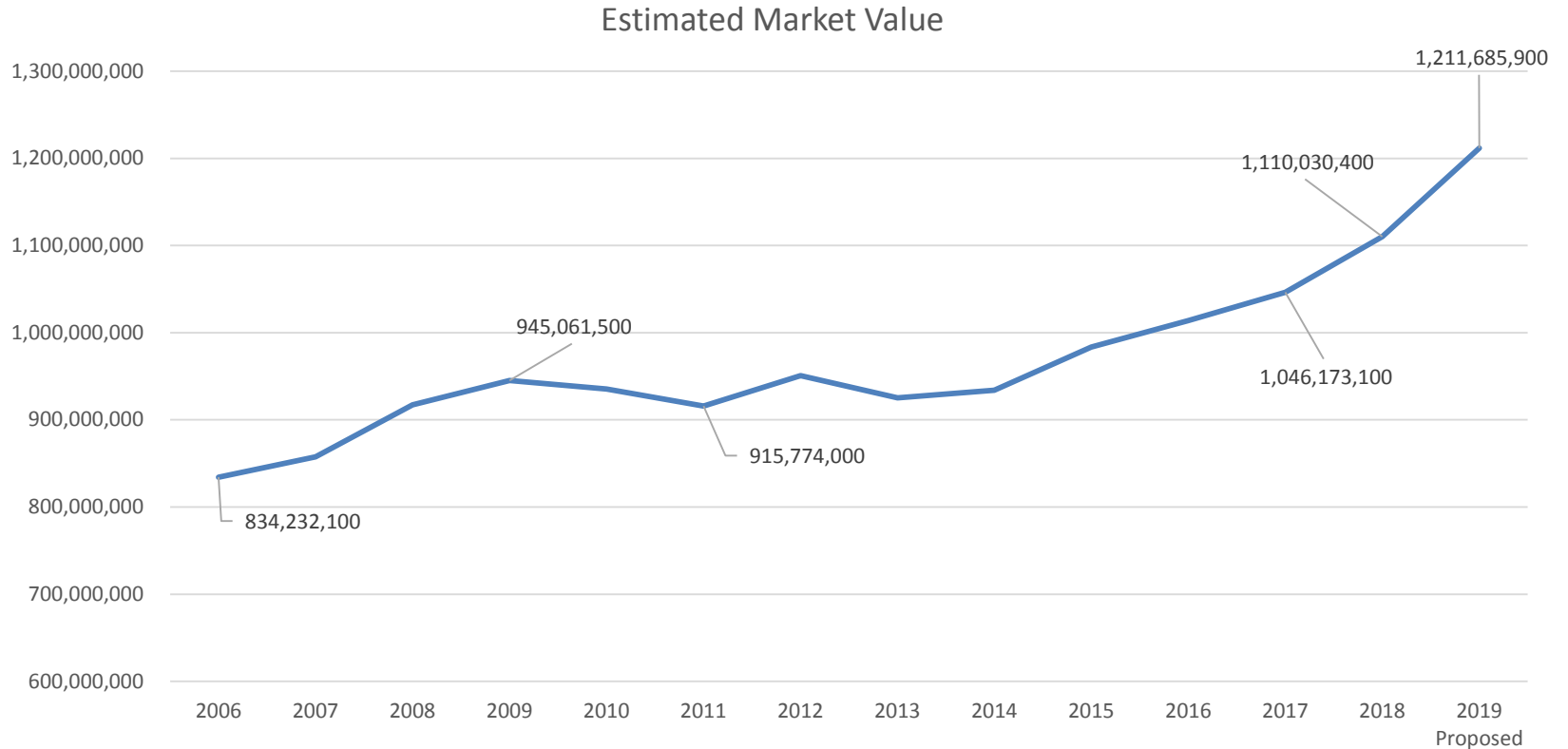
Property Tax, cont.



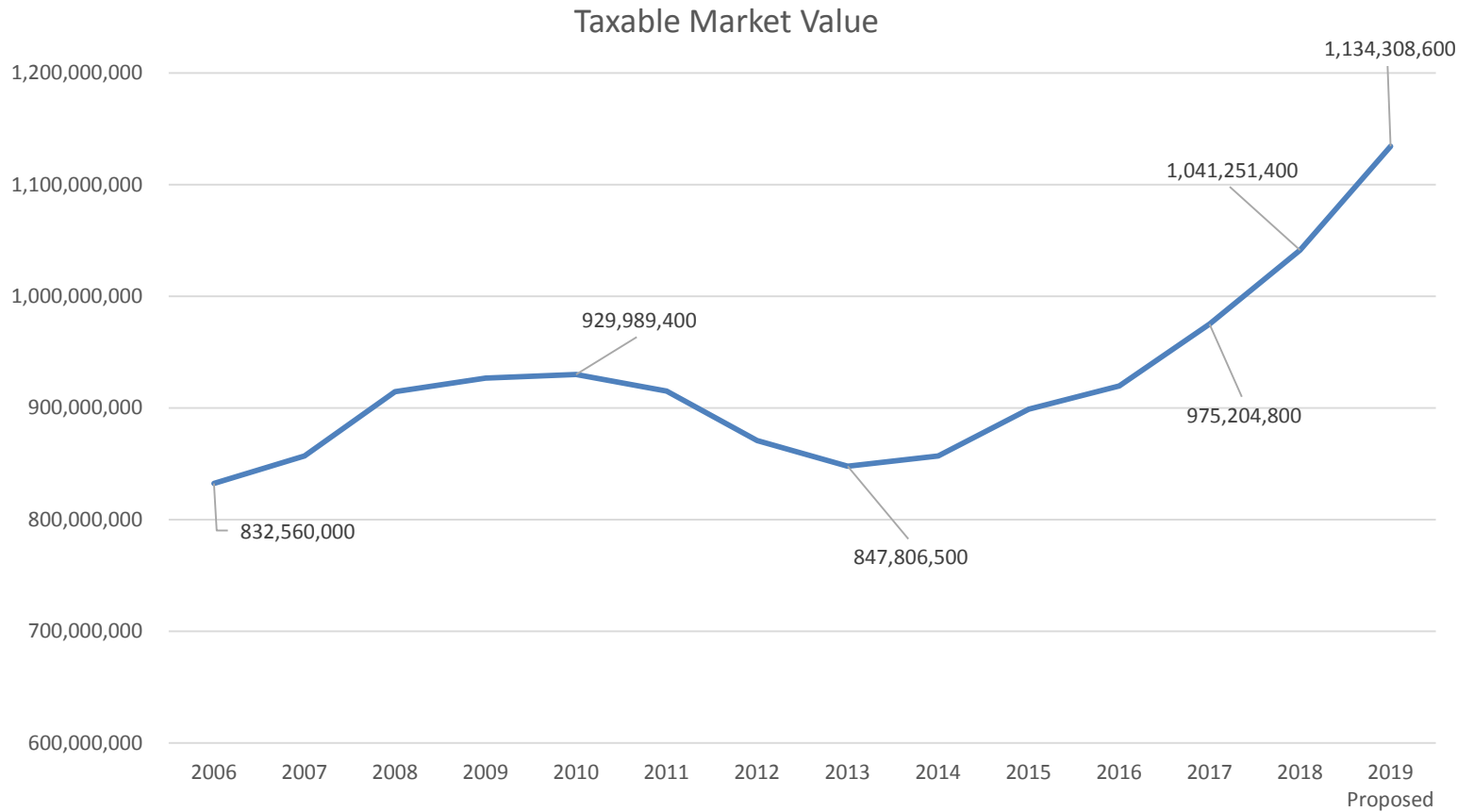
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Estimated Market Value History

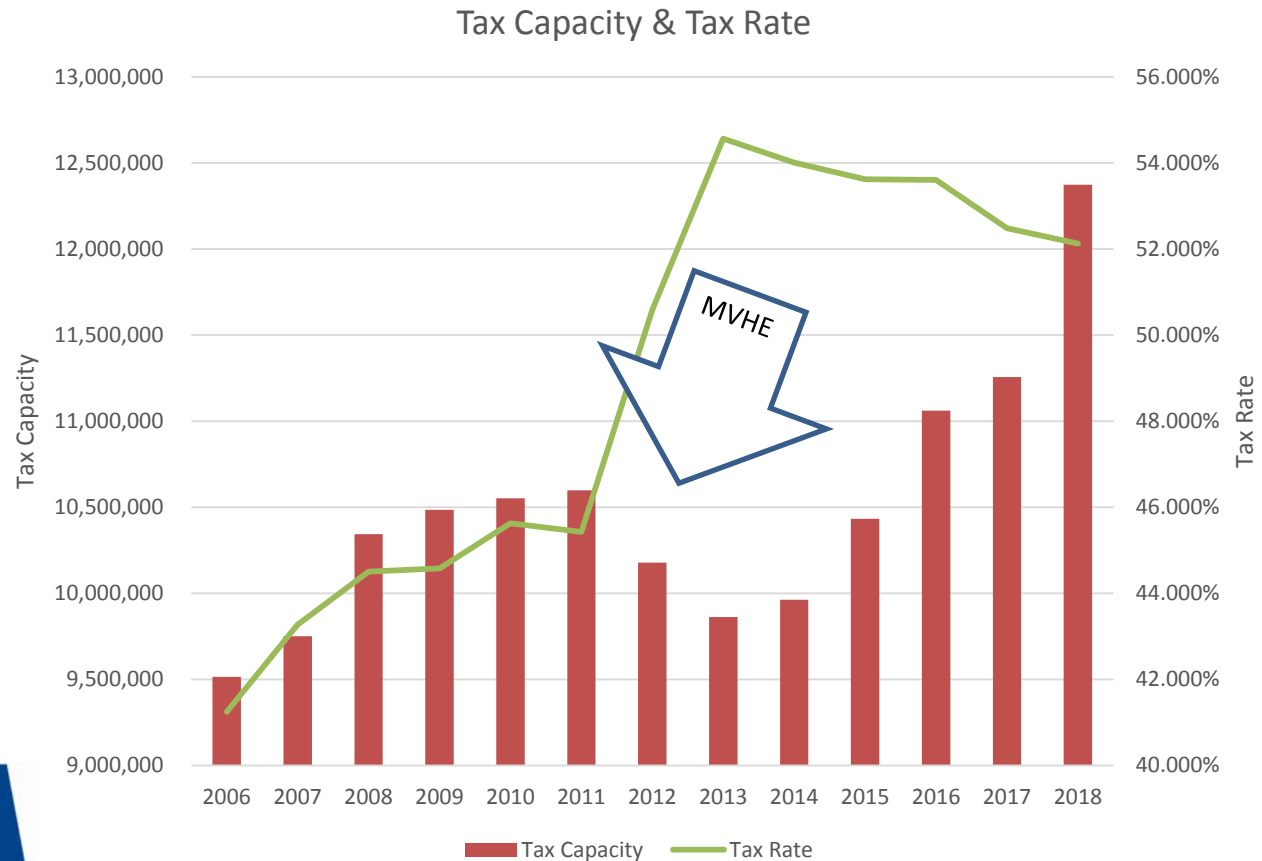


Taxable Market Value History

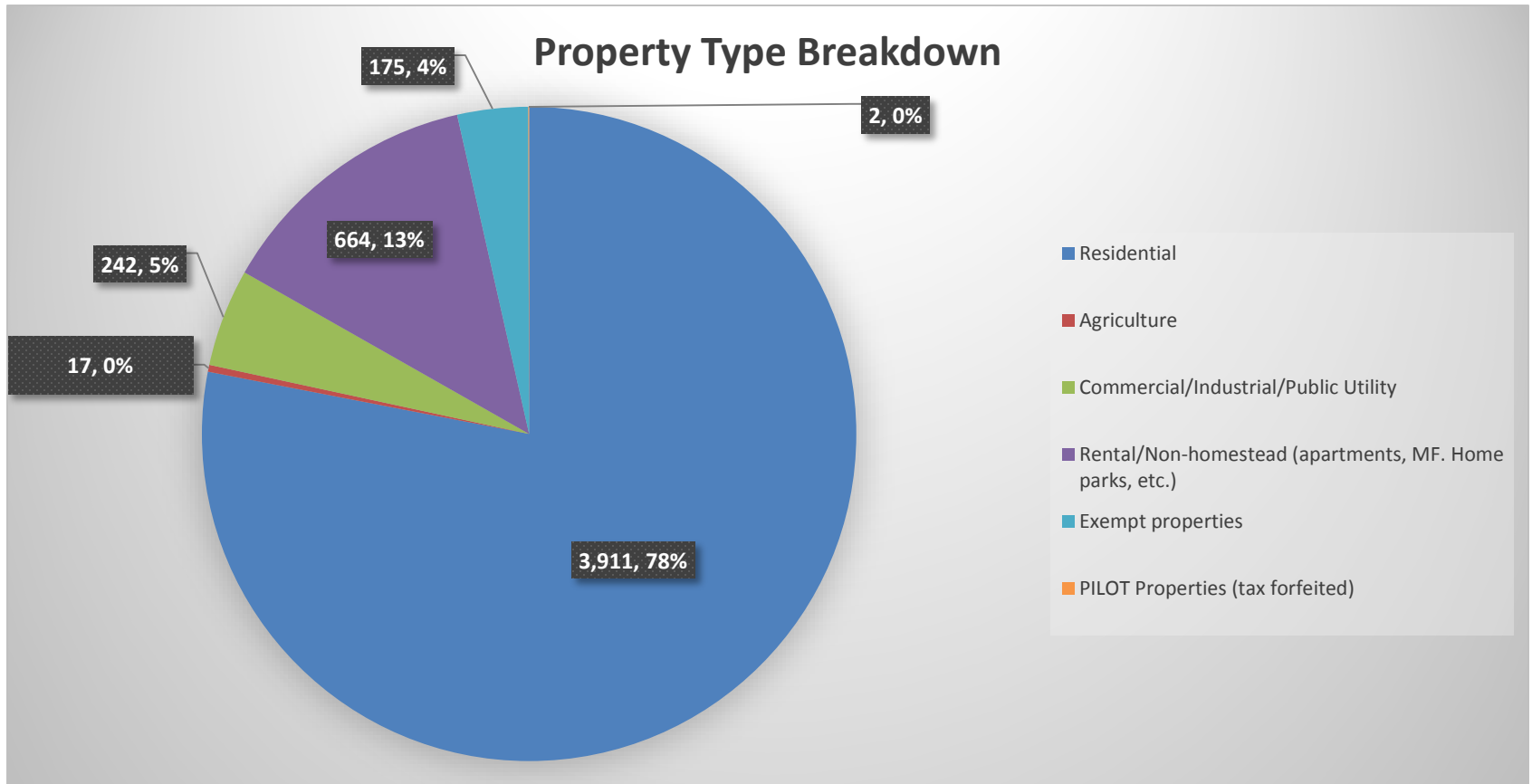


Tax Capacity & Tax Rate

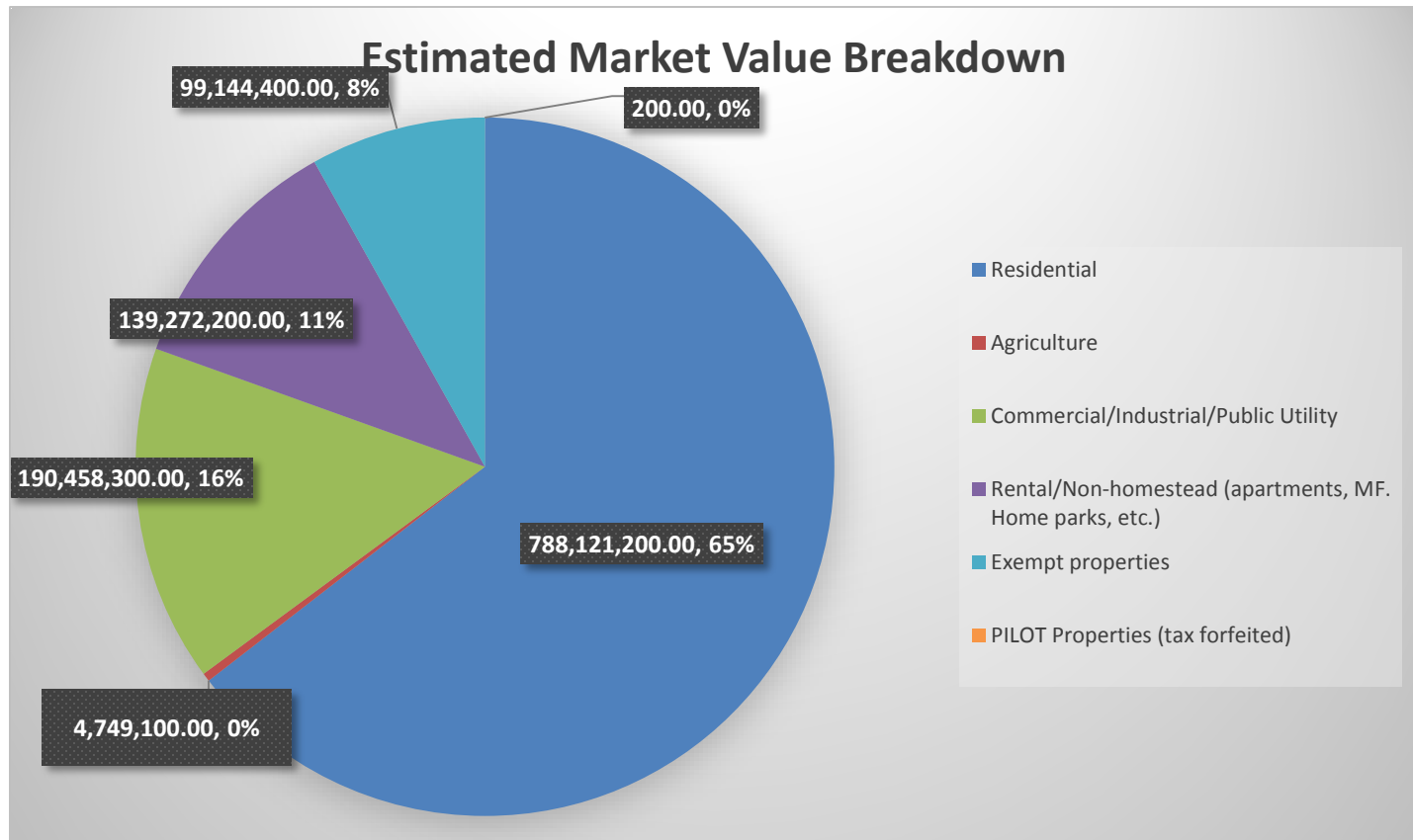
Tax capacity is a unique property taxing tool that is equivalent to multiplying the taxable market value of a property by its relevant class rate. The local tax rate of a taxing jurisdiction is determined by dividing the jurisdiction's levy by the jurisdiction's taxable net tax capacity. Rates often move in the opposite direction of tax capacity as shown in the chart above.



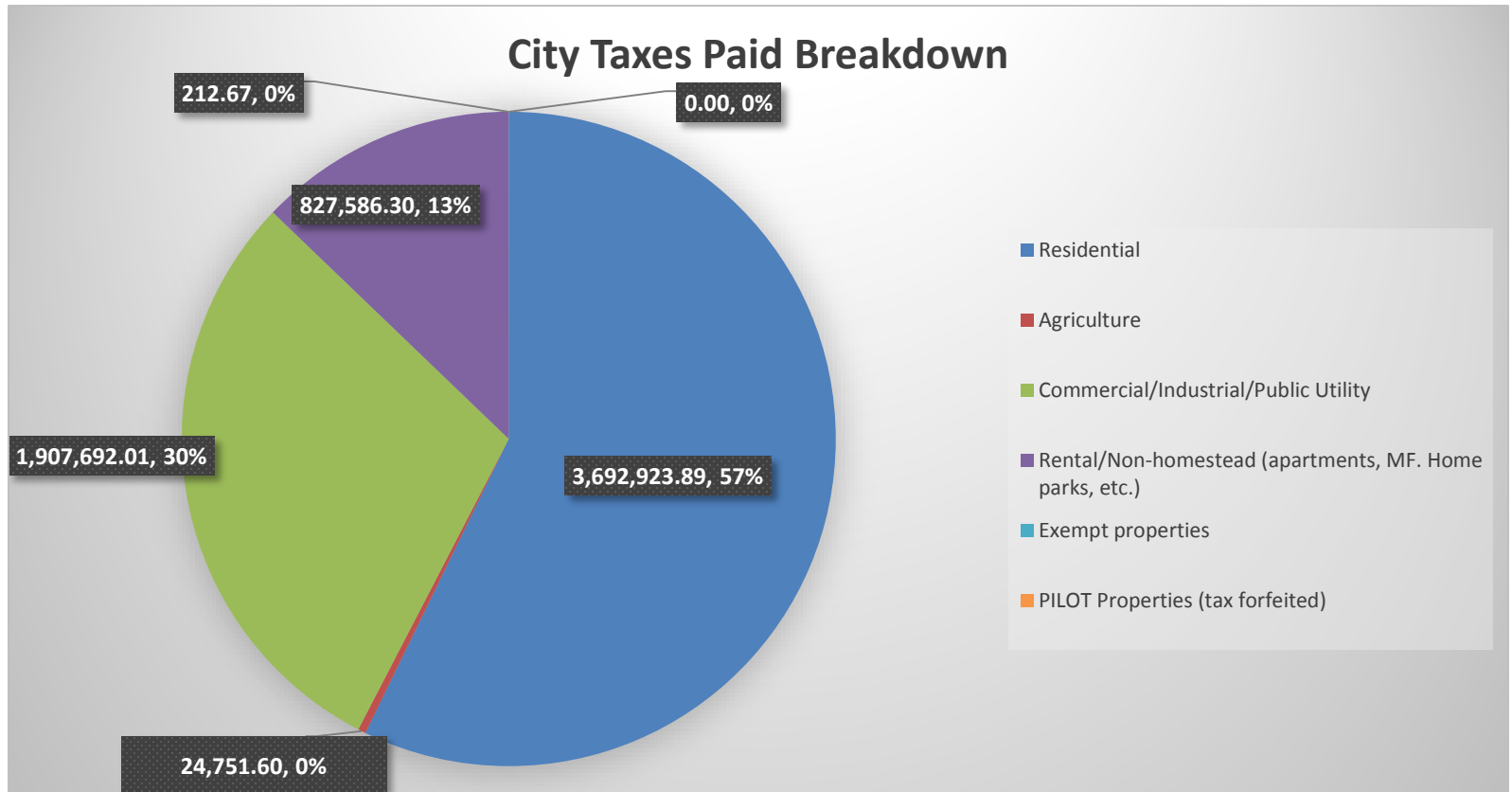
North Mankato Property Types



North Mankato EMV Breakdown

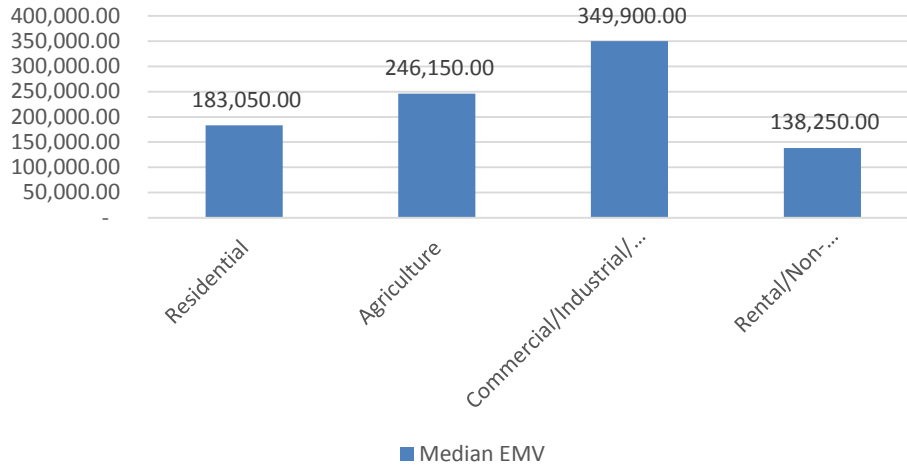


North Mankato Taxes Paid by Property Type

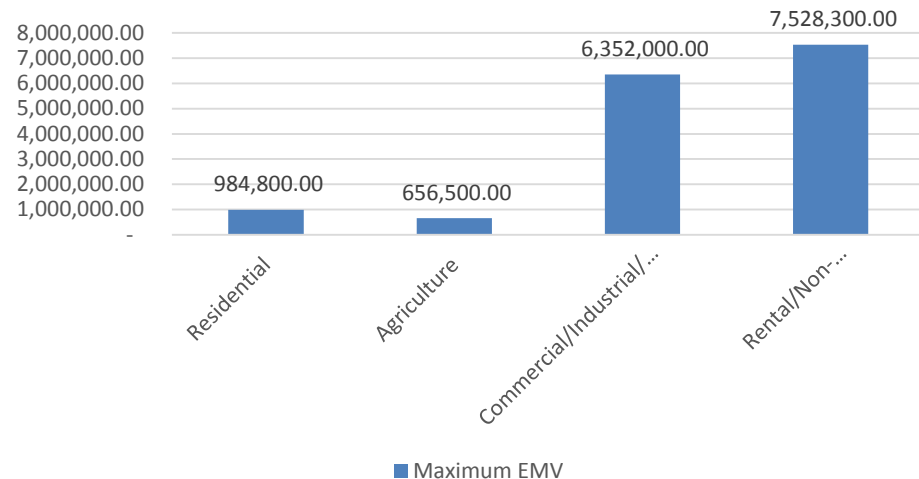


Median and Maximum EMV

Median EMV

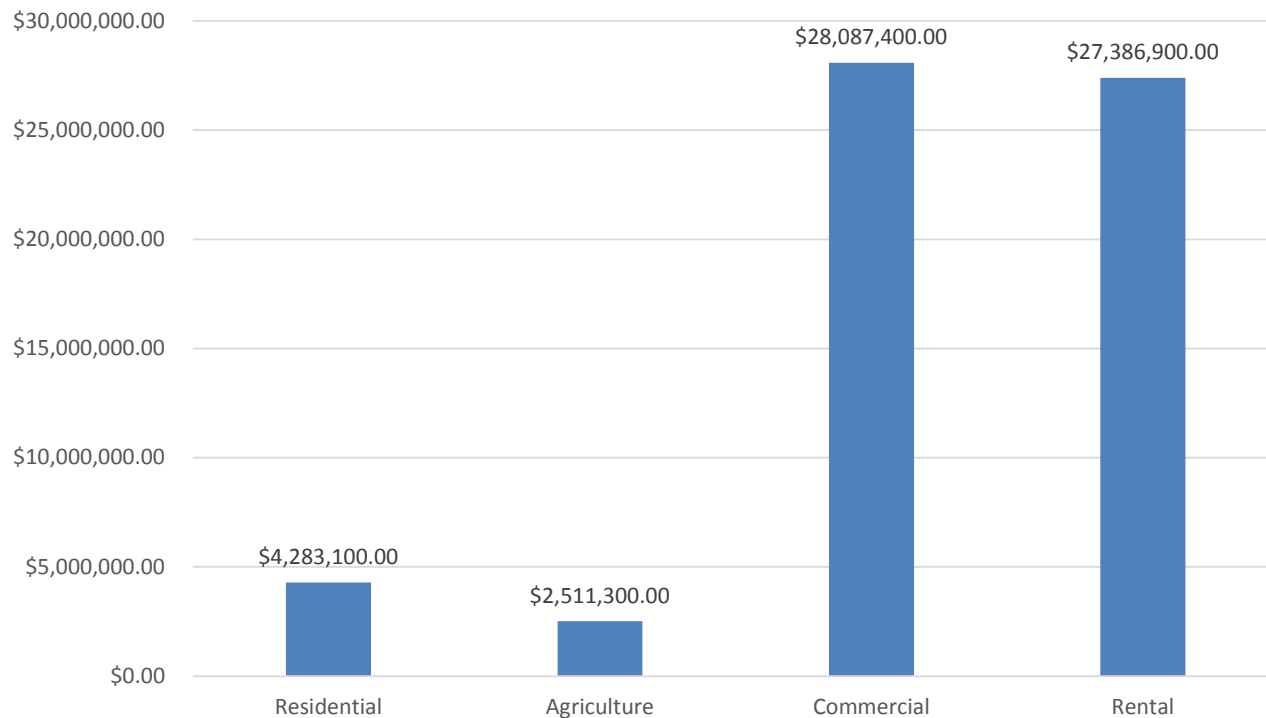


Maximum EMV



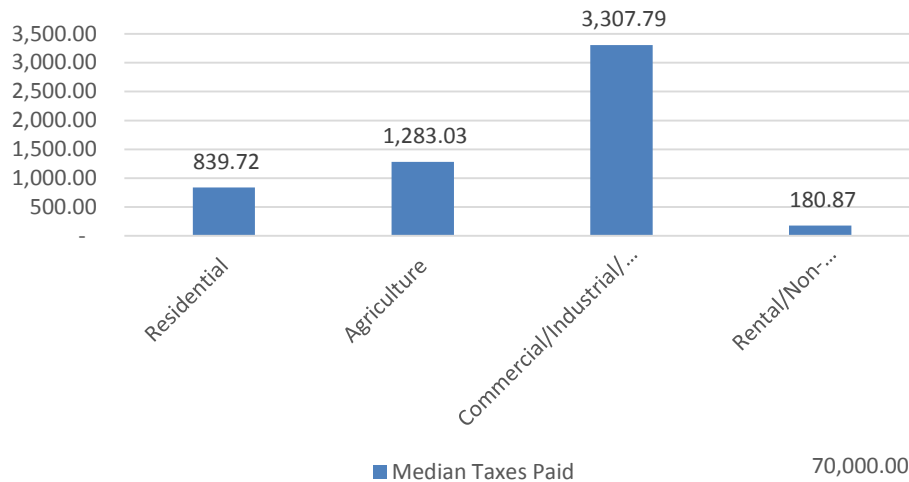
Top 5 EMV Combined

Top 5 Combined EMV by Type

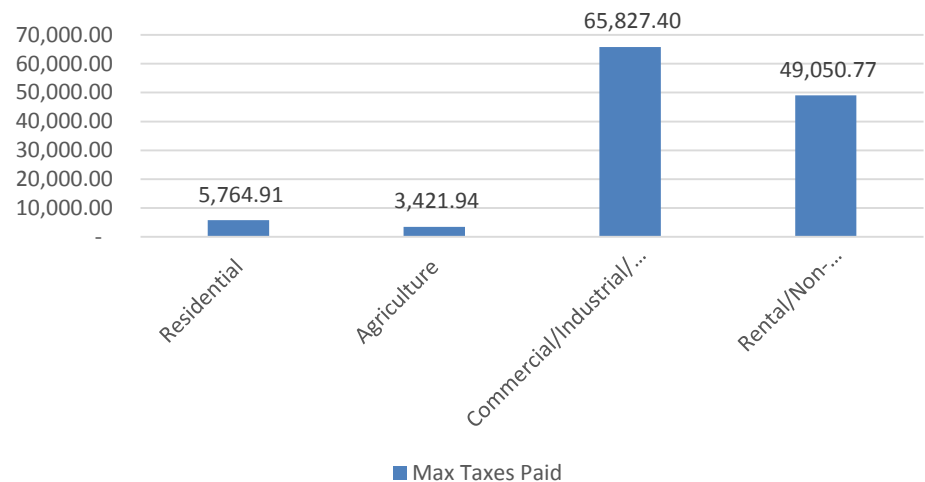


Median and Maximum City Taxes Paid

Median Taxes Paid

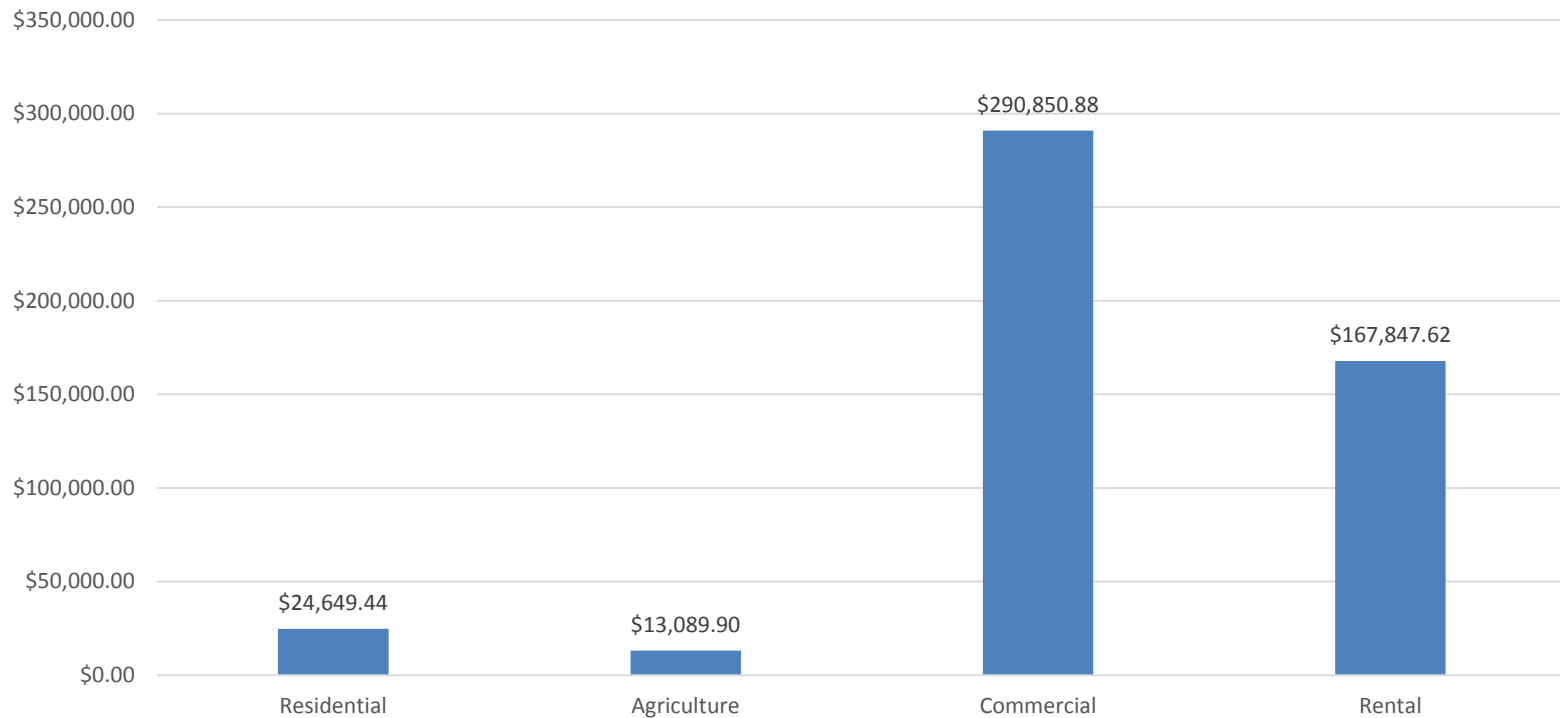


Max Taxes Paid



Top 5 Combined Taxes Paid

Top 5 Combined Taxes Paid



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Capital Investment Annual Allocation

	2015	2016	2017	2018	2019
Parks Plan	\$ 75,000	\$ 200,000	\$ 345,000	\$ 350,000	\$ 400,000
Street Maintenance Plan	\$ 200,000	\$ 350,000	\$ 400,000	\$ 380,000	\$ 400,000
Vehicle & Equipment Replacement	\$ 222,000	\$ 830,000	\$ 151,500	\$ 393,000	\$ 233,000
Building Maintenance	\$ 30,000	\$ 110,000	\$ 423,300	\$ 82,000	\$ 297,000
Sidewalk Maintenance	\$ -	\$ -	\$ -	\$ 5,000	\$ 24,000
Water Fund	\$ 165,000	\$ 165,000	\$ 367,800	\$ 297,300	\$ 300,000
Sewer Fund	\$ 300,000	\$ 145,000	\$ 245,500	\$ 250,000	\$ 250,000
Storm Water Fund	\$ 42,500	\$ 42,500	\$ 32,500	\$ 30,000	\$ 40,000
TOTAL	\$1,034,500	\$1,842,500	\$1,965,600	\$1,787,300	\$1,944,000

Infrastructure & Maintenance

- Street Life Cycle

- Construct
- Seal Coat every 5-7 years
- Mill & Overlay every 15 years
- Hydrant, valves, manholes, and catch basins testing and inspections every 1-2 years
- Repairs as needed

- Facilities Life Cycle

- Construct
- Inspect every year
- HVAC 5-10 Years
- Furnishes and finishes 5-10 years
- Re-Roof 10-20 years
- Windows 10-20 years
- Parking Lot Maint. – follow streets

2019 Equipment & Facilities Replacement

Project or Activity	Strategic Program Area	2018-2022	2019-2023	Variance
Loader	Infrastructure	150,000	150,000	-
General Equipment - Trucks, Skid loaders, Mowers, etc.	Infrastructure	240,000	240,000	-
Police Cruiser	Public Safety	190,000	190,000	-
Squad Cameras	Public Safety	35,000	-	(35,000)
Detective Squad	Public Safety	40,000	40,000	-
Land purchase 233 Wheeler, 231 Wheeler	Comm. Dev.	284,000	272,000	(12,000)
Truck Community Development	Comm. Dev.		25,000	25,000
Sirens - Upgrade (from 2012), Plant #2, Expansion, City Shop	Public Safety	54,000	54,000	-
Tandem Dump Truck with Plow, Wing and Sander (3)	Infrastructure	675,000	500,000	(175,000)
Roller (2)	Infrastructure	60,000		(60,000)
Street department roof / Public Works Yard Evaluation	Infrastructure	20,000	-	(20,000)
Mechanics Shop - update doors	Infrastructure	15,000	-	(15,000)
Front Desk and Community Development Desk Remodel	Admin/Leg.	50,000	-	(50,000)
Lower Level Remodel	Admin/Leg.	15,000		(15,000)
Fire Engine	Public Safety	110,000	110,000	-
Overhaul Air Pack/Work Room		-	40,000	40,000
Overall FD Community Room Kitchen			25,000	25,000
Parks Mower Replacement			180,000	180,000
Sub-Total Cash / Capital Facilities & Equipment Replacement		1,938,000	1,826,000	(112,000)

2019 Equipment & Facilities Replacement

- New for 2019-2023
 - Mowers: \$90,000/unit – 2019 & 2020
 - Snow Plows: \$250,000/unit – 2020 & 2022. One purchased in 2018
 - Truck for Community Development: \$25,000
 - Squad Cameras purchased in 2018
 - Land purchase final payments
 - Rollers allocated to future years
 - Street shop part of bigger project

CIP Discussion

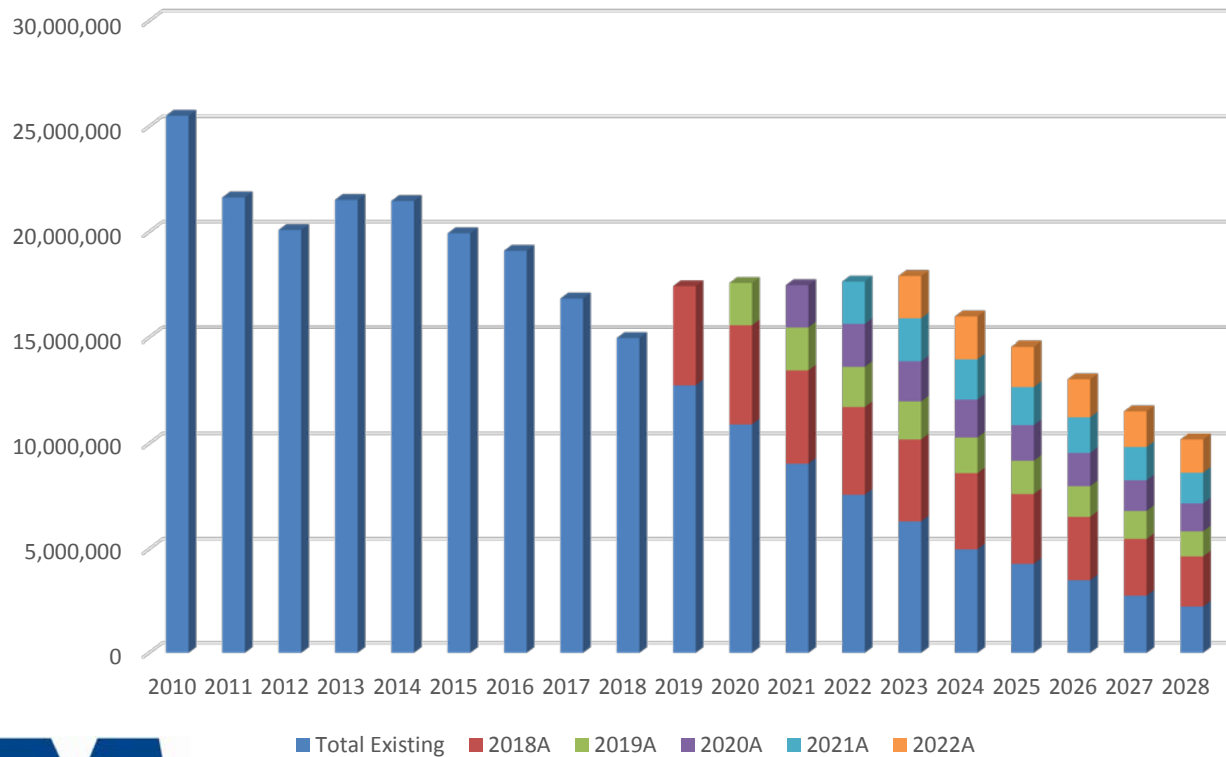
- \$2,000,000 used as annual capital set aside in CIP and debt issuance
- Projects Identified for 2019:
 - Tyler Ave. Reconstruction ---- \$ 500,000
 - Commerce Dr. City Portion --- \$ 500,000
 - TBD Project ----- \$1,000,000

CIP Discussion, cont.

- Aging City Facilities
 - Public Works Facility
 - Facilities maintenance plan
- Ravine Maintenance
 - Heavy rains lead to ravine slough
 - Ravine maintenance plan
- Recreational Facilities
 - Caswell over 30 years old
 - Sales tax extension, partly toward recreational facilities

2019 Debt Service Funds

Current & Future G.O. Debt of \$2.0 Million/Annually



Next Steps

- Proposed Levy and Date(s) for Truth-in-Taxation (TnT) approved at Regular Meeting
- Budget/CIP workshop(s) – October/November
- TnT – December 3rd 7:00 PM
- Final Levy and Budgets adopted – December 17th