



City of Orono

2020 Preliminary Tax Levy and Budget

9/23/2019





City of Orono

2020 Preliminary Tax Levy and Budget

9/24/2019

Preliminary Tax Levy Set – 9/23/2019

Final Levy and Budget – 12/09/2019

Public Input is Allowed Prior to Final Adoption

TNT Meeting – 6:30 PM



City of Orono

2020 Preliminary Budget - Revenue

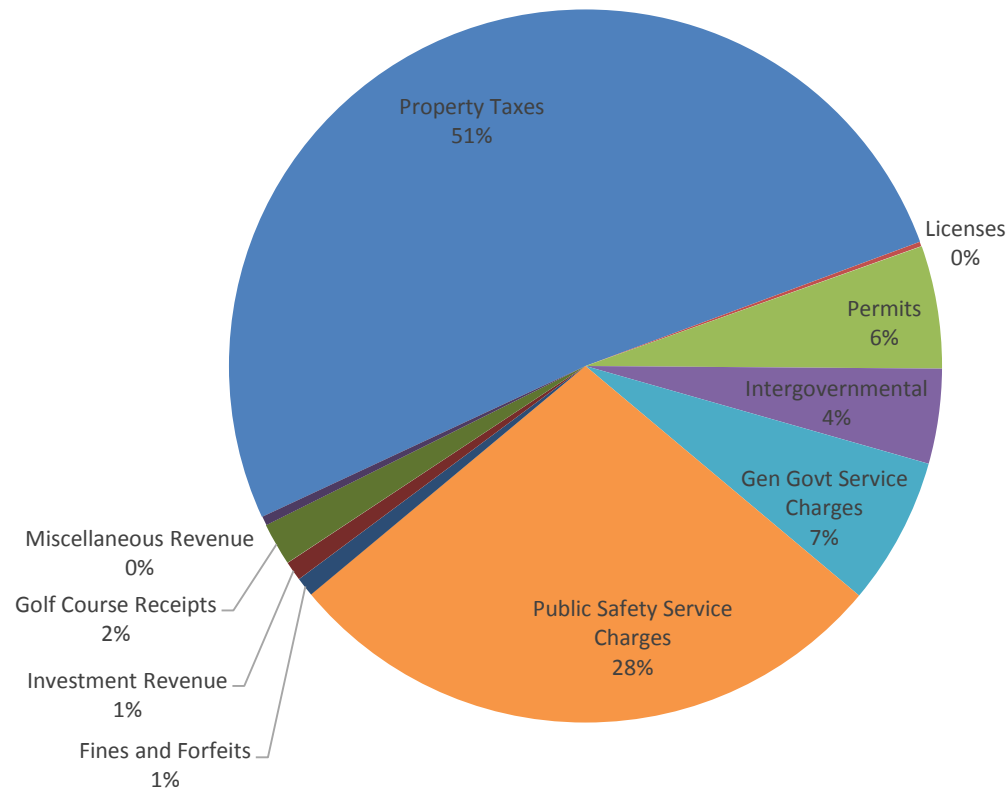
9/23/2019

| Account | Revenue Source | 2018 Actual | Y-T-D Aug 31, 2019 | 2019 Budget | 2020 Budget | Increase (Decrease) | Percentage Change |
|---------|--|------------------|-----------------------|------------------|------------------|------------------------|----------------------|
| | Property Taxes | 4,288,106 | 2,285,838 | 4,390,000 | 4,689,000 | 299,000 | 6.8% |
| | Total Licenses | 19,875 | 9,906 | 15,000 | 18,700 | 3,700 | 24.7% |
| | Total Permits | 721,165 | 479,614 | 481,750 | 509,500 | 27,750 | 5.8% |
| | Total Intergovernmental | 411,648 | 138,574 | 270,220 | 393,000 | 122,780 | 45.4% |
| | Total Gen Govt Service Charges | 573,178 | 501,051 | 553,920 | 612,800 | 58,880 | 10.6% |
| | Total Public Safety Service Charges | 2,479,151 | 2,266,551 | 2,483,980 | 2,544,900 | 60,920 | 2.5% |
| | Total Fines and Forfeits | 70,960 | 47,764 | 80,100 | 80,100 | - | 0.0% |
| | Total Investment Revenue | 69,956 | 282 | 96,410 | 81,100 | (15,310) | -15.9% |
| | Total Golf Course Receipts | 175,609 | 157,143 | 176,000 | 176,000 | - | 0.0% |
| | Total Miscellaneous Revenue | 68,855 | 46,683 | 29,900 | 38,100 | 8,200 | 27.4% |
| | Total Revenue | 8,878,504 | 5,933,406 | 8,577,280 | 9,143,200 | 565,920 | 6.6% |



City of Orono

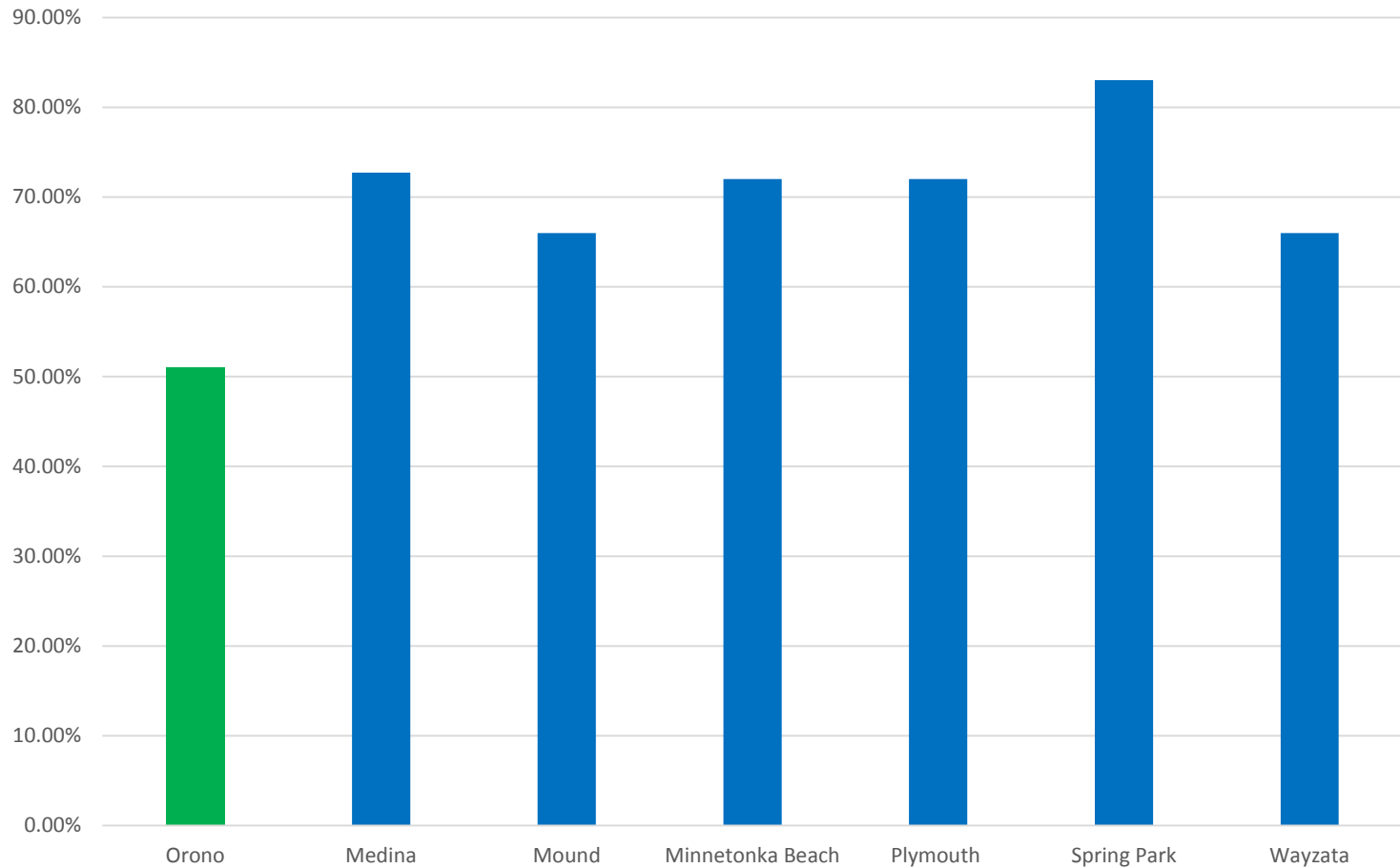
2020 Preliminary Tax Levy and Budget General Fund Budget Revenue Budget





City of Orono 2020 Budget and Tax Levy

Property Tax as a % of General Fund Budget





City of Orono

2020 Preliminary Budget and Tax Levy

| | <u>2018</u> <u>Actual</u> | <u>2019</u> <u>Budget</u> | <u>2020</u> <u>Recommended</u> | Increase (Decrease) | <u>%</u> <u>Change</u> |
|--|------------------------------|------------------------------|-----------------------------------|------------------------|---------------------------|
| Mayor & Council | 88,698 | 34,030 | 34,500 | 470 | 1.38% |
| Administration | 340,623 | 434,470 | 426,800 | (7,670) | -1.77% |
| Elections | 20,037 | 7,160 | 69,500 | 62,340 | 870.67% |
| Assessing | 185,750 | 185,000 | 203,000 | 18,000 | 9.73% |
| Finance | 315,214 | 273,050 | 276,100 | 3,050 | 1.12% |
| Law/Legal Services | 114,340 | 129,000 | 134,000 | 5,000 | 3.88% |
| Central Services | 326,633 | 294,890 | 315,100 | 20,210 | 6.85% |
| Human Services | 12,125 | 12,400 | 12,400 | - | 0.00% |
| Police | 4,384,955 | 4,519,170 | 4,873,800 | 354,630 | 7.85% |
| Fire Protection Services | 389,365 | 402,100 | 433,900 | 31,800 | 7.91% |
| Building & Zoning | 707,346 | 695,910 | 713,300 | 17,390 | 2.50% |
| Engineering | 15,655 | 20,000 | 20,000 | - | 0.00% |
| Street Maintenance | 596,420 | 513,180 | 608,800 | 95,620 | 18.63% |
| Parks | 187,857 | 218,440 | 230,000 | 11,560 | 5.29% |
| Golf Course | 213,491 | 212,730 | 220,400 | 7,670 | 3.61% |
| Brush Site | - | - | 13,100 | 13,100 | N/A |
| Special Services | 145,247 | 125,750 | 128,500 | 2,750 | 2.19% |
| Special Projects-Contingencies | 8,312 | 100,000 | 30,000 | (70,000) | -70.00% |
| Transfers to Other Funds | 837,703 | 400,000 | 400,000 | - | 0.00% |
| Total General Fund Expenditures | 8,889,770 | 8,577,280 | 9,143,200 | 565,920 | 6.60% |



City of Orono

2020 Preliminary Budget and Tax Levy

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City of Orono

2020 Preliminary Budget and Tax Levy

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City of Orono

2020 Preliminary Budget and Tax Levy

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City of Orono

2020 Preliminary Budget and Tax Levy

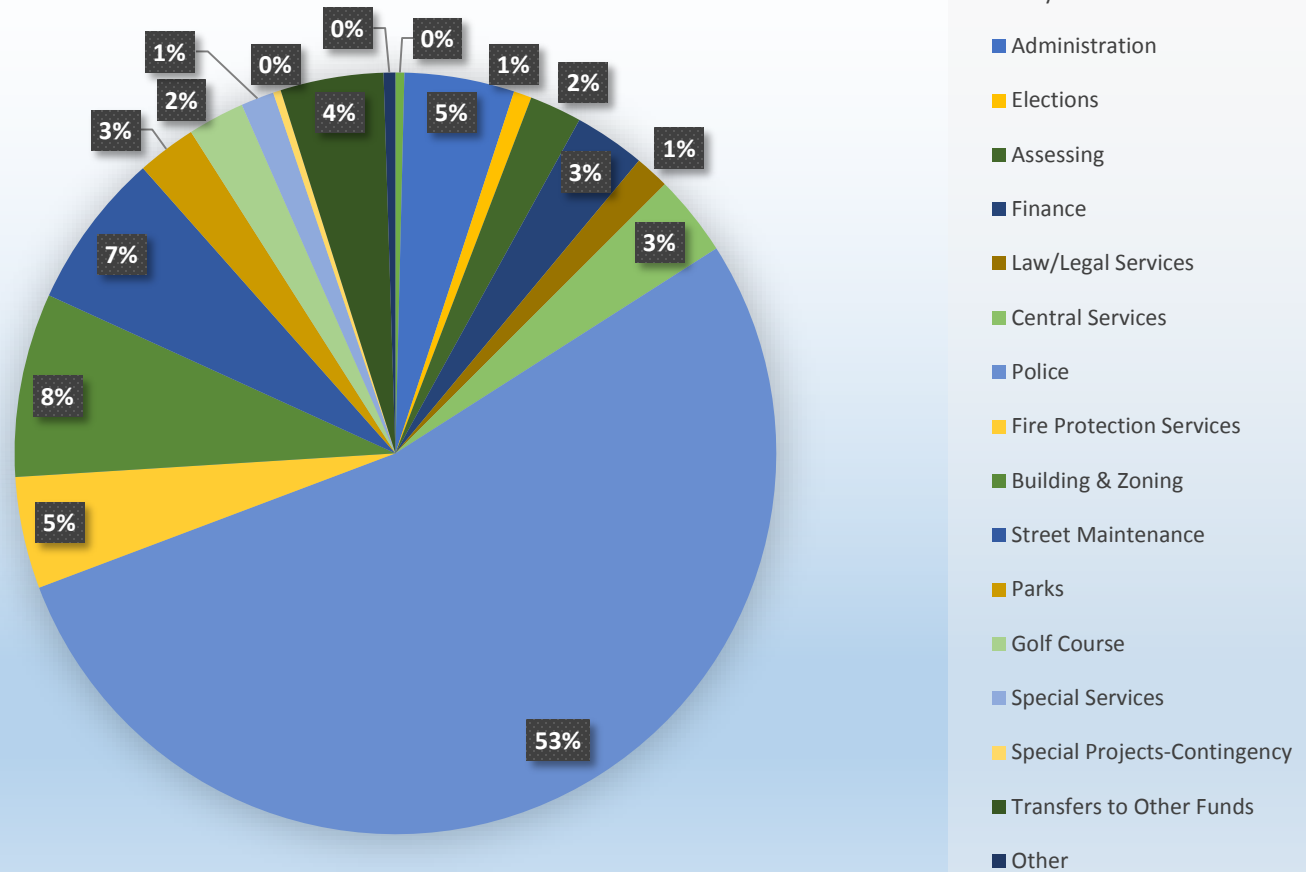
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| Special Projects-Contingencies | 8,312 | 100,000 | 30,000 | (70,000) | -70.00% |
| Transfers to Other Funds | 837,703 | 400,000 | 400,000 | - | 0.00% |
| Total General Fund Expenditures | 8,889,770 | 8,577,280 | 9,143,200 | 565,920 | 6.60% |



City of Orono

2020 Preliminary Tax Levy and Budget General Fund Expenditure Budget

Expenditures by Department





City of Orono

2020 Preliminary Tax Levy and Budget General Fund Expenditure Budget

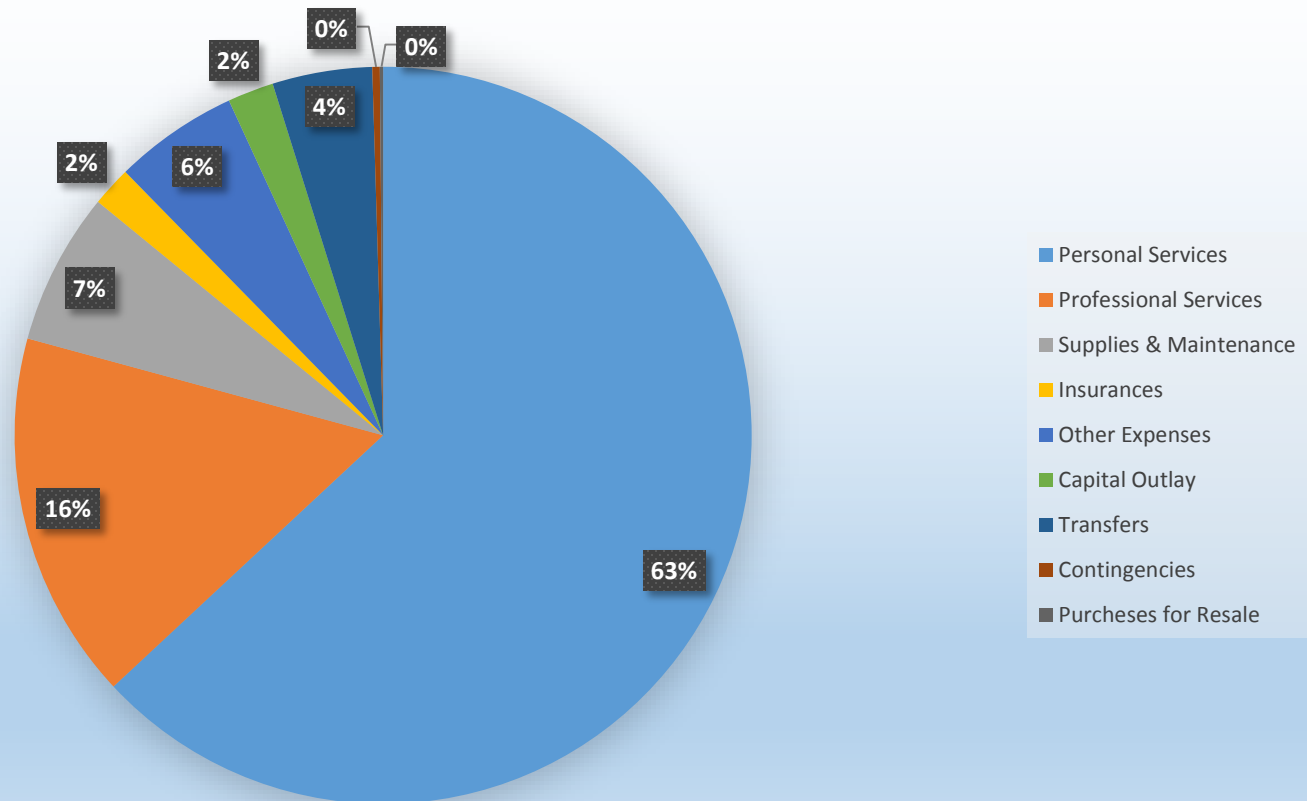
| | <u>2018</u> <u>Actual</u> | <u>2019</u> <u>Budget</u> | <u>2020</u> <u>Recommended</u> | <u>%</u> <u>Change</u> |
|--------------------------|------------------------------|------------------------------|-----------------------------------|---------------------------|
| Personal Services | 5,370,117 | 5,469,740 | 5,765,900 | 5.41% |
| Supplies & Maintenance | 688,297 | 625,110 | 611,300 | -2.21% |
| Insurances | 98,846 | 122,810 | 160,300 | 30.53% |
| Professional Services | 1,106,196 | 1,287,000 | 1,478,600 | 14.89% |
| Other Expenses | 571,836 | 374,720 | 499,000 | 33.17% |
| Capital Outlay | 197,547 | 184,000 | 185,000 | 0.54% |
| Transfers to Other Funds | 837,703 | 400,000 | 400,000 | 0.00% |
| Contingencies | 8,312 | 100,000 | 30,000 | -70% |
| Purchases for Resale | 8,909 | 13,900 | 13,100 | -5.76% |
| Total | 8,887,763 | 8,577,280 | 9,143,200 | 6.60% |



City of Orono

2020 Preliminary Tax Levy and Budget General Fund Expenditure Budget

Expenditure by Category





City of Orono

2020 Preliminary Tax Levy and Budget

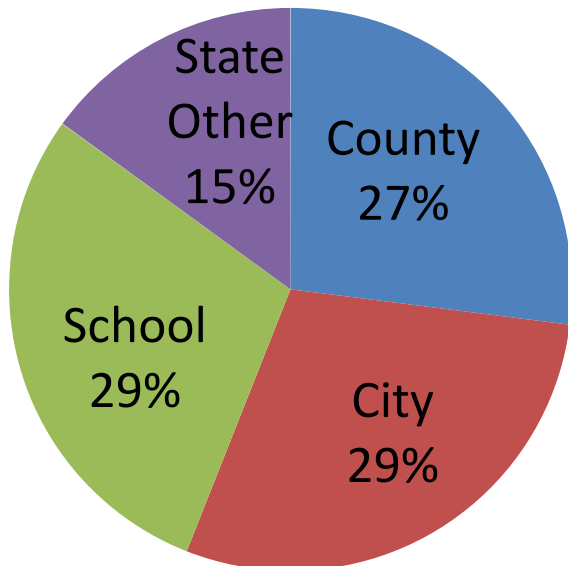
Tax Levy

| | |
|----------------------------|---------------------------|
| General Fund - Operating | \$4,679,000 |
| Pavement Management Levy | 617,450 |
| G.O. Improvement Bond 2010 | 134,825 |
| G.O. Improvement Bond 2014 | 162,900 |
| G.O. Improvement Bond 2016 | <u>413,275</u> |
| TOTAL ALL LEVIES | <u>\$6,007,450</u> |



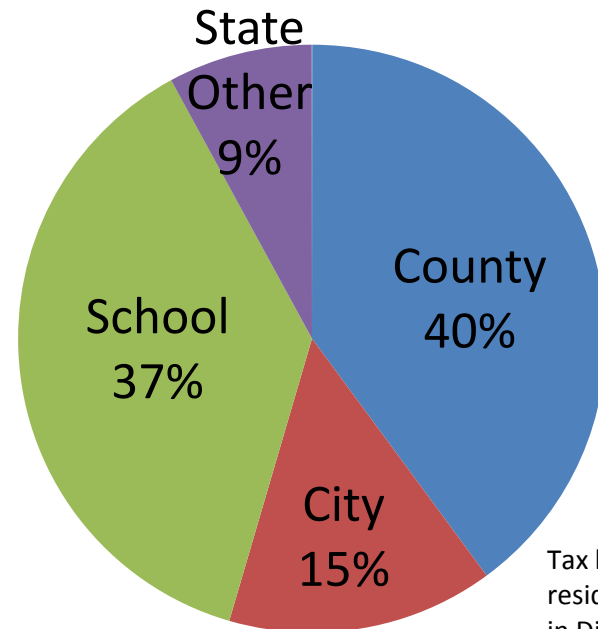
City of Orono 2020 Budget and Tax Levy

**State of Minnesota
Average Property Tax Distribution**



Source: 2016 Minnesota Cities Property Tax Report

**City of Orono
Average Property Tax Distribution**



Tax breakdown for a residential property in District 278



City of Orono

2020 Preliminary Tax Levy and Budget

Tax Capacity – Tax Rate

| | Actual <u>2019</u> | Estimated <u>2020</u> | <u>2020 Over / Under 2019</u> | |
|---|-----------------------|--------------------------|-------------------------------|----------------|
| | | | <u>Amount</u> | <u>Percent</u> |
| <u>TAX CAPACITY</u> | | | | |
| Net Tax Capacity (Adj Net Tax Capacity) | <u>\$34,349,674</u> | <u>\$36,022,503</u> | <u>\$1,672,829</u> | <u>4.87%</u> |
| <u>LOCAL LEVY</u> | | | | |
| Total levy all funds | <u>\$5,635,450</u> | <u>\$6,007,450</u> | <u>\$372,000</u> | <u>6.60%</u> |
| <u>TAX CAPACITY RATES</u> | | | | |
| General Revenue | 12.751% | 12.989% | 0.238 | |
| Pavement Management | 1.585% | 1.714% | 0.129 | |
| GO Improvement 2010 | 0.386% | 0.368% | -0.018 | |
| GO Improvement 2014 | 0.481% | 0.459% | -0.022 | |
| GO Improvement 2016 | 1.202% | 1.146% | -0.056 | |
| Additional Pavement Management | <u>0.000%</u> | <u>0.000%</u> | <u>0.000</u> | |
| Total Local Tax Capacity Rate | 16.406% | 16.677% | 0.271 | |



City of Orono

2020 Preliminary Tax Levy and Budget

Tax Levy Effect – No Value Change

| | Actual 2019 | Estimated 2020 | Actual 2019 | Estimated 2020 | Actual 2019 | Estimated 2020 | Actual 2019 | Estimated 2020 |
|-----------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|
| Value | \$250,000 | \$250,000 | \$695,000 | \$695,000 | \$1,000,000 | \$1,000,000 | \$2,000,000 | \$2,000,000 |
| MVE | \$14,740 | \$14,740 | | \$0 | | \$0 | | \$0 |
| Tax Value | \$235,260 | \$235,260 | \$695,000 | \$695,000 | \$1,000,000 | \$1,000,000 | \$2,000,000 | \$2,000,000 |
| Levy Increase | | 4.49% | | 4.49% | | 4.49% | | 4.49% |
| Tax Capacity (Net) * | 2,353 | 2,353 | 7,438 | 7,438 | 11,250 | 11,250 | 23,750 | 23,750 |
| Tax Capacity Rate | 16.406% | 16.677% | 16.406% | 16.677% | 16.406% | 16.677% | 16.406% | 16.677% |
| Net City Tax | \$386.03 | \$392.41 | \$1,220.20 | \$1,240.35 | \$1,845.68 | \$1,876.16 | \$3,896.43 | \$3,960.79 |
| \$ Increase from 2018 | | \$6.38 | | \$20.16 | | \$30.49 | | \$64.36 |
| % Increase from 2018 | | 1.65% | | 1.65% | | 1.65% | | 1.65% |

* Tax Capacity (net) = 1% of first \$500,000 market value, plus 1.25% of all value over \$500,000

** Assumes no change in value



City of Orono

2020 Preliminary Tax Levy and Budget

Tax Levy Effect – 5% Increase in Value

| | Actual 2019 | Estimated 2020 | Actual 2019 | Estimated 2020 | Actual 2019 | Estimated 2020 | Actual 2019 | Estimated 2020 |
|-----------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|
| Value | \$250,000 | \$262,500 | \$500,000 | \$525,000 | \$1,000,000 | \$1,050,000 | \$2,000,000 | \$2,100,000 |
| MVE | \$14,740 | \$13,615 | | \$0 | | \$0 | | \$0 |
| Tax Value | \$235,260 | \$248,885 | \$500,000 | \$525,000 | \$1,000,000 | \$1,050,000 | \$2,000,000 | \$2,100,000 |
| Levy Increase | | 4.49% | | 4.49% | | 4.49% | | 4.49% |
| Tax Capacity (Net) * | 2,353 | 2,489 | 5,000 | 5,313 | 11,250 | 11,875 | 23,750 | 25,000 |
| Tax Capacity Rate | 16.406% | 16.677% | 16.406% | 16.677% | 16.406% | 16.677% | 16.406% | 16.677% |
| Net City Tax | \$386.03 | \$415.09 | \$820.30 | \$885.97 | \$1,845.68 | \$1,980.39 | \$3,896.43 | \$4,169.25 |
| \$ Increase from 2018 | | \$29.06 | | \$65.67 | | \$134.72 | | \$272.83 |
| % Increase from 2018 | | 7.53% | | 8.01% | | 7.30% | | 7.00% |

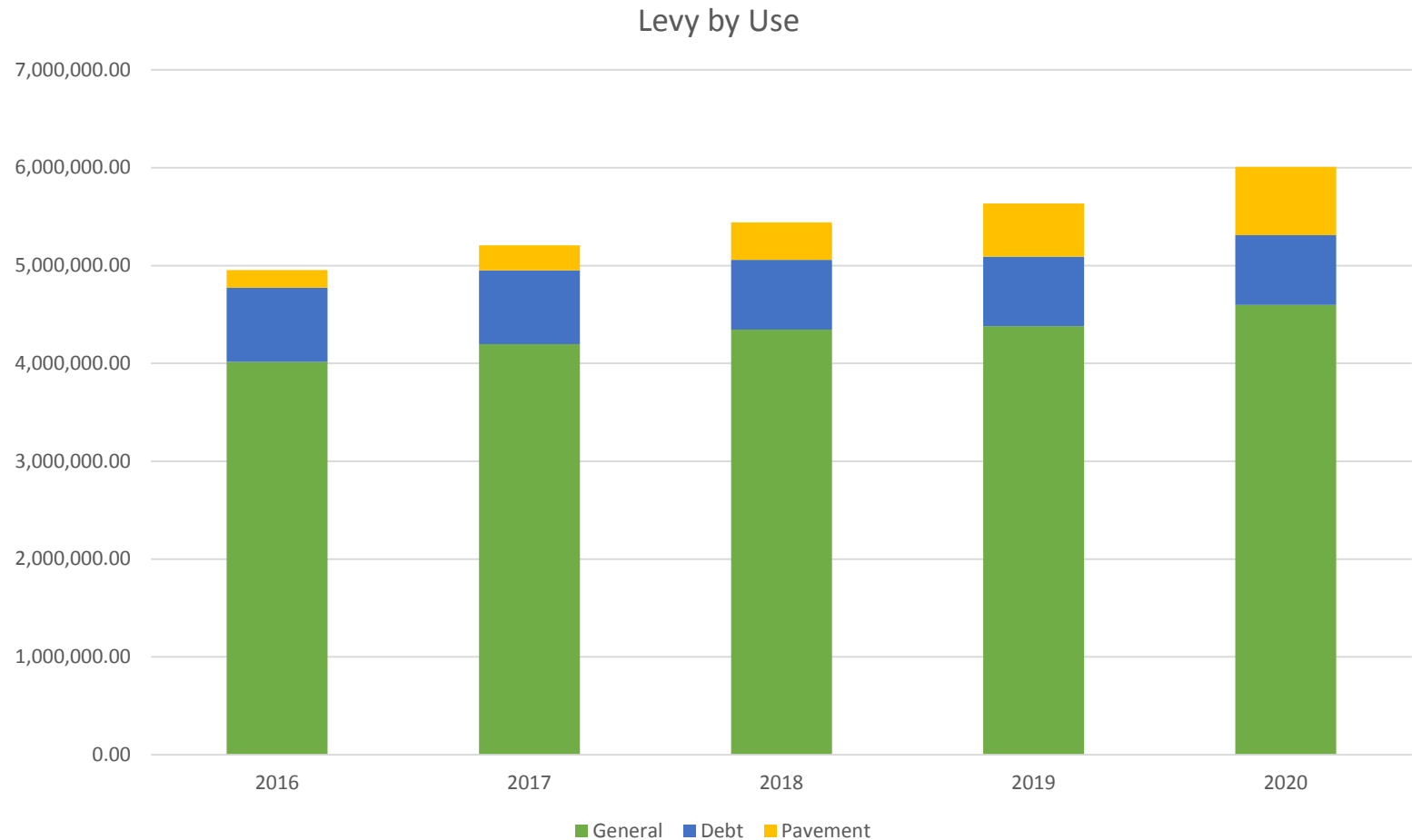
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** Assumes a 5.0% Increase in value



City of Orono

2020 Preliminary Tax Levy and Budget

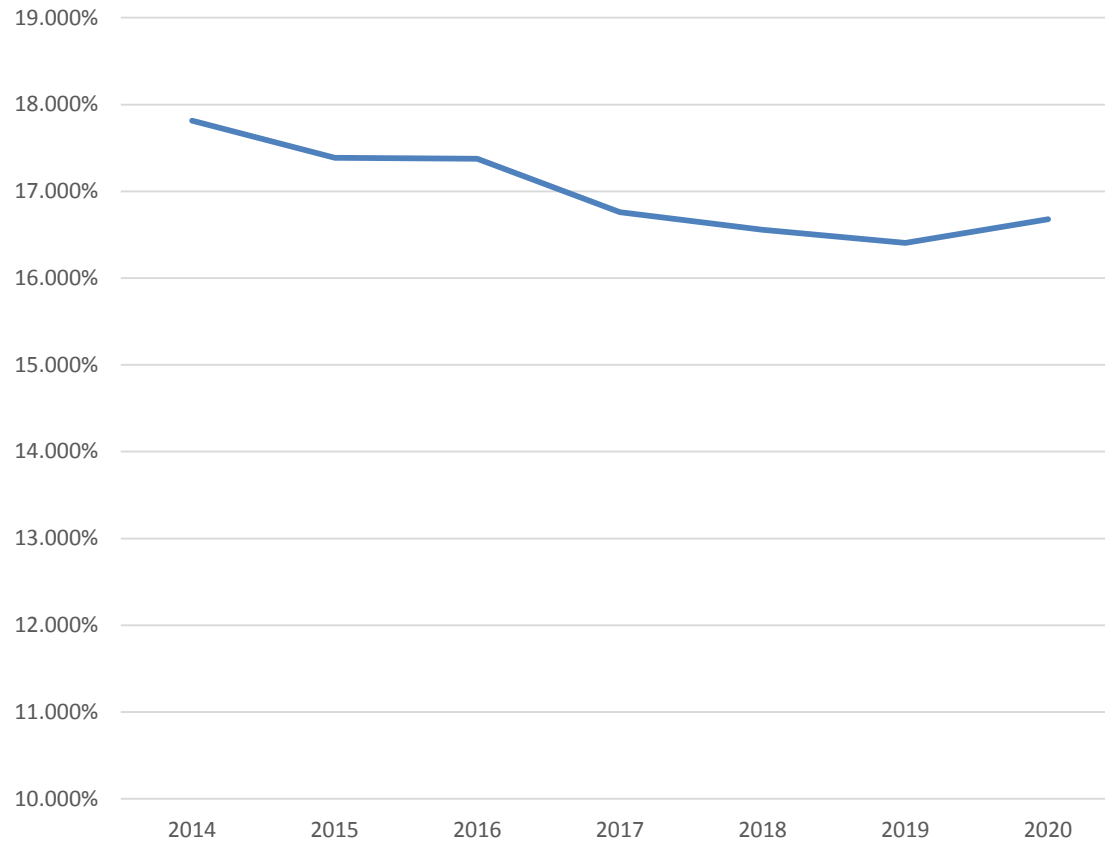




City of Orono

2020 Preliminary Tax Levy and Budget

Tax Capacity Rate Graph





City of Orono

2020 Preliminary Tax Levy and Budget

5 Year Tax Rate Impact on Property

| | Actual 2014 | Estimated 2015 | Actual 2016 | Estimated 2017 | Actual 2018 | Estimated 2019 | Estimated 2020 | Total Change |
|------------------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|-------------------|-----------------|
| Value MVE | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$0 |
| Tax Value | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$0 |
| Tax Capacity (Net) * | 11,250 | 11,250 | 11,250 | 11,250 | 11,250 | 11,250 | 11,250 | \$0.00 |
| Tax Capacity Rate | 17.815% | 17.387% | 17.375% | 16.759% | 16.555% | 16.406% | 16.677% | -1.138% |
| Net City Tax | \$2,004.19 | \$1,956.04 | \$1,954.69 | \$1,885.39 | \$1,862.44 | \$1,845.68 | \$1,876.16 | -\$128.03 |
| Total Increase in Taxes Paid | | -\$48.15 | -\$1.35 | -\$69.30 | -\$22.95 | -\$16.76 | \$30.49 | -\$644.74 |
| % Increase in Taxes Paid | | -2.40% | -0.07% | -3.55% | -1.22% | -0.90% | 1.65% | -5.36% |

* Tax Capacity (net) = 1% of first \$500,000 market value, plus 1.25% of all value over \$500,000

** Assumes a 5.0% decrease in value



City of Orono

2020 Preliminary Tax Levy and Budget

What's Next

10/28/19 Work Session - Utility Fund Budgets

Rate Study

Capital Improvement Plan

11/25/19 Work Session – Fee Schedule

12/9/19 Council Meeting

TNT Meeting Starts at 6:30

Public Input is Welcome

Final Budgets Approved

Final Tax Levy Approved



City of Orono

2020 Preliminary Tax Levy and Budget

Tax Capacity Rate Graph

| | Actual 2014 | Estimated 2015 | Actual 2016 | Estimated 2017 | Actual 2018 | Estimated 2019 | Estimated 2020 | Total Change |
|------------------------------|---------------------|-------------------|----------------|-------------------|----------------|-------------------|-------------------|-----------------|
| Value MVE | \$1,000,000 | \$1,051,000 | \$1,104,601 | \$1,160,936 | \$1,220,143 | \$1,282,371 | \$1,347,772 | \$347,772 |
| Tax Value | \$1,000,000 | \$1,051,000 | \$1,104,601 | \$1,160,936 | \$1,220,143 | \$1,282,371 | \$1,347,772 | \$347,772 |
| Tax Capacity (Net) * | 11,250 [█] | 11,888 | 12,558 | 13,262 | 14,002 | 14,780 | 15,597 | \$4,347.14 |
| Tax Capacity Rate | 17.815% | 17.387% | 17.375% | 16.759% | 16.555% | 16.406% | 16.677% | -1.138% |
| Net City Tax | \$2,004.19 | \$2,066.88 | \$2,181.87 | \$2,222.53 | \$2,318.00 | \$2,424.75 | \$2,601.14 | \$596.95 |
| Total Increase in Taxes Paid | | \$62.69 | \$114.99 | \$40.66 | \$95.47 | \$106.75 | \$176.39 | \$1,790.03 |
| % Increase in Taxes Paid | | 3.13% | 5.56% | 1.86% | 4.30% | 4.61% | 7.27% | 14.89% |

* Tax Capacity (net) = 1% of first \$500,000 market value, plus 1.25% of all value over \$500,000

** Assumes a 5.0% decrease in value