

2021 Tax Levy and Budget Final Proposal

December 1st, 2020



Presentation Outline

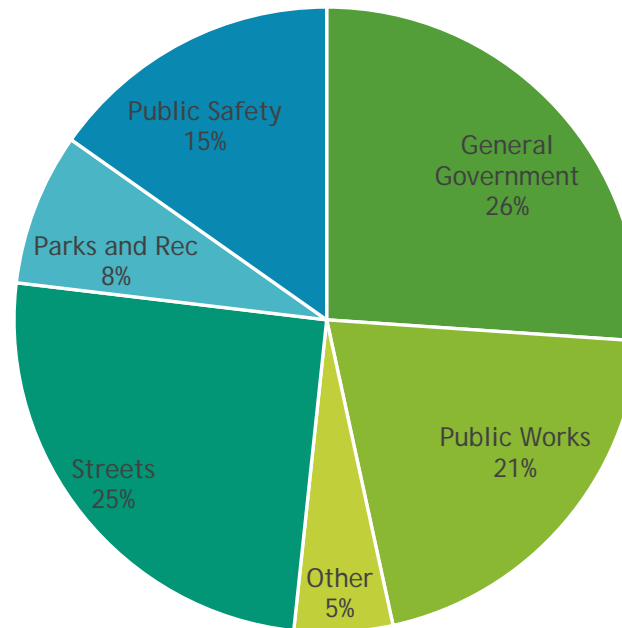
- ▶ Budget Basics
- ▶ Proposed 2021 General Fund Budget
 - ▶ Expenditures
 - ▶ Revenues
- ▶ Proposed 2021 Tax Levy
 - ▶ Basics of Property Taxes
 - ▶ City of Maple Lake Tax Levy
 - ▶ Calculation of Property Taxes
 - ▶ Comparisons
- ▶ Summary

Budget Basics

- ▶ Needs and priorities determined
- ▶ Strategies established
- ▶ Capital improvement plan updated
- ▶ Detail budgets prepared
- ▶ Preliminary budget and tax levy approved
- ▶ Revisions to the preliminary budget and tax levy
- ▶ Final budget and tax levy presented and approved

Proposed 2021 General Fund Budget - Expenditures

- ▶ Total General Fund Expenditures - \$1,634,580
 - ▶ 2020: \$1,580,530
 - ▶ \$54,050 increase from 2020 (3%)
 - ▶ 2019: \$1,440,720
 - ▶ \$95,542 increase (2019 to 2020) 4.6%
 - ▶ General Government: Administration, City Council, Boards, Professional services
 - ▶ Other: Street Lights, Recycling, and Insurance

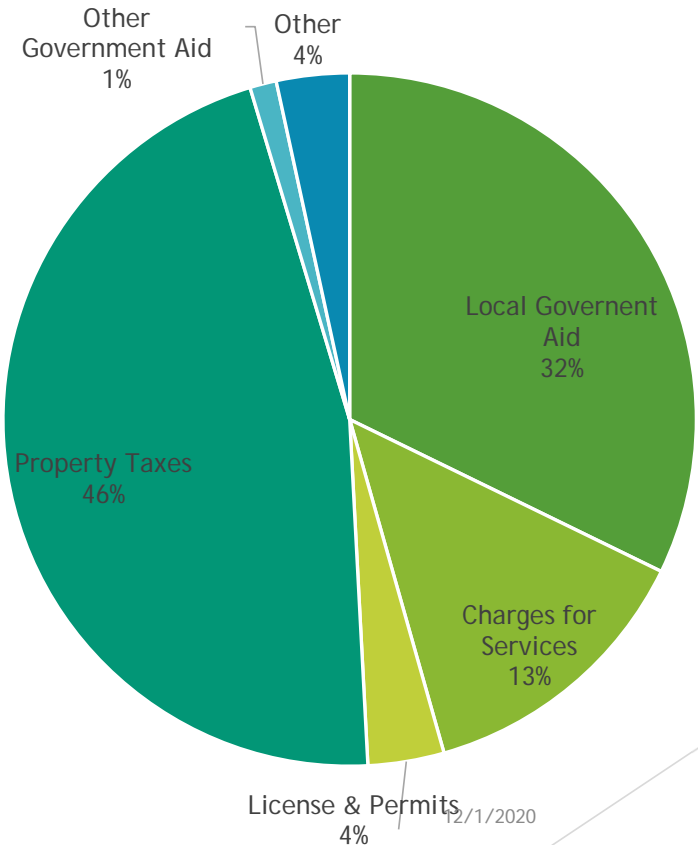


Proposed 2021 General Fund Expenses - Expenditures

- ▶ Items Impacting Expenditures
 - ▶ 1.3% Cost of living Adjustment
 - ▶ Park Improvements
 - ▶ Structures - cement
 - ▶ Sidewalks - Plow
 - ▶ Trails
 - ▶ Capital needs (Street construction, infrastructure)
 - ▶ Meter Updates
 - ▶ Preparing for a Comprehensive Plan

Proposed 2021 General Fund Budget - Revenues

- ▶ Total General Fund Revenues - \$1,677,238
 - ▶ 2020: \$1,605,530
 - ▶ \$29,050 increase from 2020 (2%)
 - ▶ 2019: \$1,520,526
 - ▶ \$85,004 increase (2019 to 2020) 5.5%



Proposed 2021 General Fund Budget

► Summary

- Balanced General Fund Budget
- Total General Fund Budget Expenditure \$54,050 increase from 2020 (3%)
- Total General Fund Budget Revenue \$29,050 increase from 2020 (2%)
- Conservative estimate of Permits

Proposed 2021 Tax Levy -City of Maple Lake Tax Levy

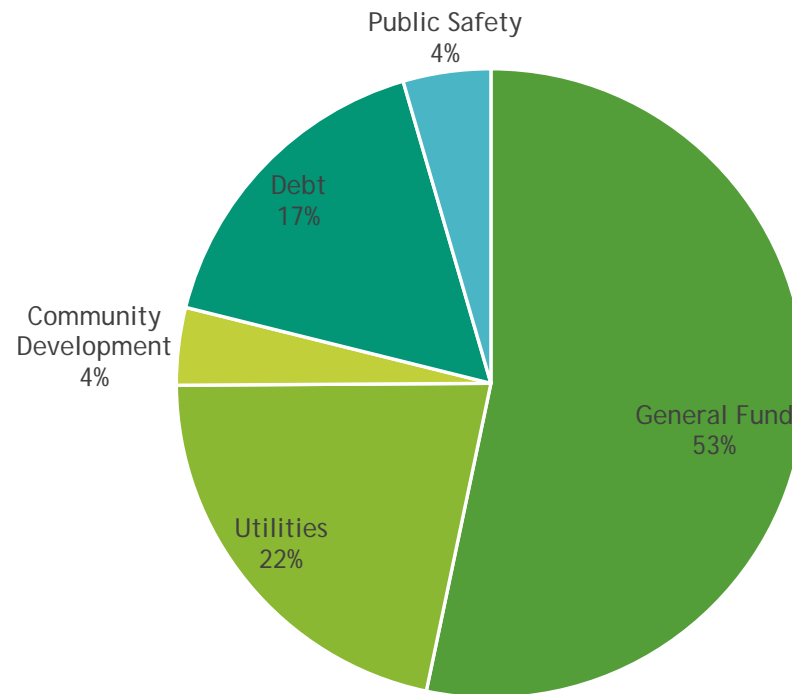
- ▶ The debt levy is \$221,408,129
 - ▶ Birch Ave - \$79,000
 - ▶ Linden/Park Bond - \$56,900
 - ▶ 2016 Street Improvement - \$31,816
 - ▶ 2018 Street Improvement - \$7,001
 - ▶ 2019 Street Improvement - \$46,690

Proposed 2021 Tax Levy -City of Maple Lake Tax Levy

- ▶ Preliminary 2021 Tax Rate Estimate - 64.313%
- ▶ Actual 2020 Tax Rate - 65.428%
- ▶ The City establishes a levy amount based on these factors:
 - ▶ General Fund (general operations of the City)
 - ▶ Debt Service
 - ▶ EDA
 - ▶ Community Development
 - ▶ City Services
 - ▶ Tax Abatement

Proposed 2021 Tax Levy -City of Maple Lake Tax Levy

- ▶ The general operations levy is \$1,332,475
 - ▶ An increase of \$63,574 or 5%, over last year's (2020) levy
 - ▶ This compares to a levy increase of \$67,178, or 5.59% for 2019.



Proposed 2021 Tax Levy -City of Maple Lake Tax Levy

- ▶ Total levy for 2021 is \$1,332,475
 - ▶ An increase of 5% from 2020. Why?
 - ▶ Increase expenditures on road construction projects and improvements
 - ▶ Increase in Capital Improvement savings
- ▶ Estimated Tax rate decrease of 1.115% percentage points from 2021. Why?
 - ▶ Increased Tax Capacity for City
 - ▶ Liquor Store Profits

Levy Comparison 2021 v. 2020

Levy	2021	2020	Difference
General Fund	710,067	667,271	42, 796
Fire Dept	60,000	60,000	0
Sewer	238,000	238,000	0
SS Improv	25,000	25,000	0
Water	25,000	25,000	0
Comm. Dev.	26,400	26,400	0
EDA	26,600	33,100	(-6,500)
Debt	221,408	194,129.43	27,279
Total	1,332,475	1,268,900	

Proposed 2021 Tax Levy - Basics of Property Taxes

- ▶ How are property taxes calculated?
 - ▶ City Tax amount payable is calculated by taking the taxable value times the class rate (.01), multiplied by the tax rate (64.313% in 2021.)
 - ▶ Taxable Market Value = \$100,000
 - ▶ $\$100,000 * .01 = \$1,000$
 - ▶ $\$1,000 * 64.313\%(\text{City Tax Rate}) = \643 (City Taxes Due)
- ▶ Property taxes support three levels of government - City, County, and School District
- ▶ State establishes a formula for how taxes are divided amongst properties

Proposed 2021 Tax Levy -Calculation of Property Taxes(City Taxes)

Market Value	w/ Homestead	2021	2020	2019	Change 2020 to 2021
120,000	93,560	\$ 601.71	\$ 611.41	\$ 615.04	- \$9.70
150,000	126,260	\$ 812.02	\$ 825.11	\$ 830.00	- \$13.09
175,000	153,510	\$ 987.27	\$ 1,003.19	\$ 1,009.13	- \$15.92
200,000	180,760	\$ 1,162.52	\$ 1,181.27	\$ 1,188.26	- \$18.74
225,000	208,010	\$ 1,337.77	\$ 1,359.35	\$ 1,367.40	- \$21.57
300,000	289,760	\$ 1,863.53	\$ 1,893.58	\$ 1,904.80	- \$30.05
350,000	344,260	\$ 2,214.04	\$ 2,249.74	\$ 2,263.06	- 35.70

Where Do Your City Taxes Go?

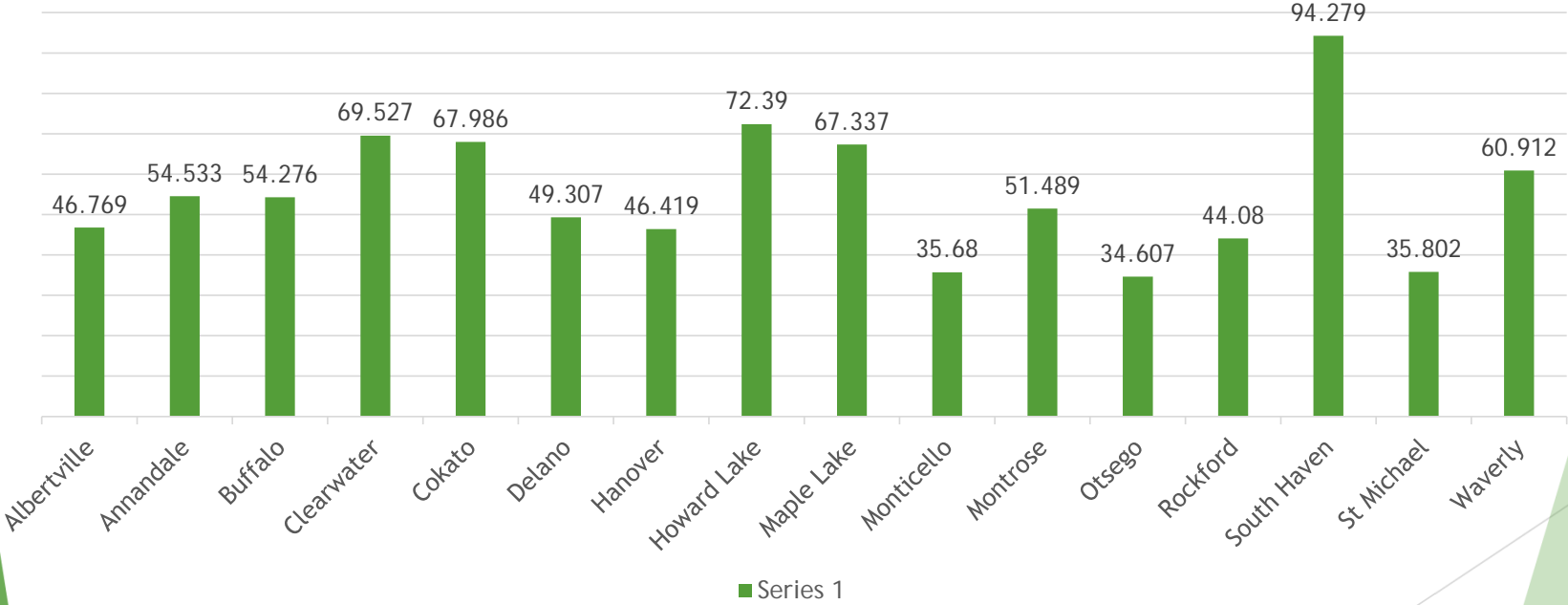
- ▶ What do you pay for City Services monthly?

Market Value	Public Safety	Fire	Snow Removal/ Street Maintenance	Parks/ Trails	Debt	General Government	Other	Community Development	Utilities
120,000.00	5.38	1.32	9.30	2.84	4.88	13.65	5.25	1.17	6.35
150,000.00	7.26	1.78	12.56	3.83	6.59	18.42	7.09	1.58	8.57
175,000.00	8.83	2.17	15.27	4.65	8.01	22.40	8.62	1.92	10.42
200,000.00	10.39	2.56	17.98	5.48	9.43	26.37	10.15	2.26	12.27
225,000.00	11.96	2.94	20.69	6.31	10.85	30.35	11.68	2.60	14.11
300,000.00	16.66	4.10	28.81	8.79	15.12	42.28	16.26	3.62	19.66
350,000.00	19.79	4.87	34.23	10.44	17.96	50.23	19.32	4.30	23.36

- ▶ Compare the cost of a service provided by the City to other services provided or products consumed (i.e. cell phone, cable, fuel, groceries, sporting event, etc.)

Proposed 2021 Tax Levy - Comparisons

▶ Wright County Preliminary City Tax Rates

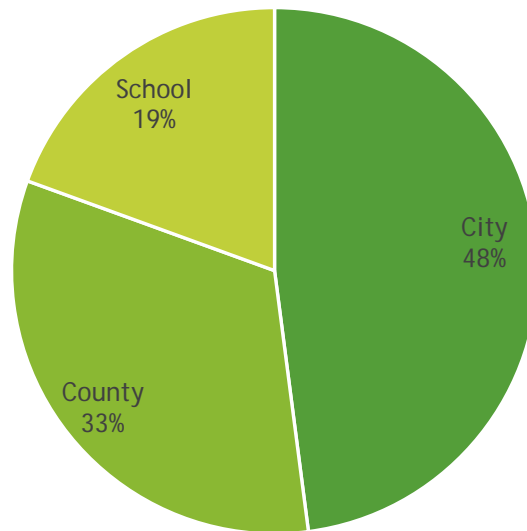


Proposed 2021 Tax Levy -Basics of Property Taxes

- ▶ Factors that influence the Tax Levy
 - ▶ Market Value
 - ▶ Tax Capacity
 - ▶ Class Rates
 - ▶ State Aids
 - ▶ City Budget and Debt Levies
 - ▶ County Budget
 - ▶ School District Operating and Debt Levies
 - ▶ State Changes to Market Value Program

Where Do Your Taxes Go?

► Total Property Tax Allocation



Summary

- ▶ Balanced General Fund Budget
- ▶ Items property tax payers should consider when paying their property taxes:
 - ▶ The City's total levy is increasing by 5%. More than half of the increase is related to street improvements.
 - ▶ Cost per month of City services provided.
- ▶ The City's overarching goal is to provide the highest quality services in a fiscally responsible manner