

City of Rochester, Minnesota

Proposed 2008 Budget



Public Hearing
Presentation

Proposed 2008 Budget
for the

City of Rochester

December 3, 2007

**CITY OF ROCHESTER
2008 PROPOSED BUDGET SUMMARY**

December 3, 2007, 7:00 p.m., City Council Chambers

- **Initial Public Hearing on 2008 Proposed Budget**

December 10, 2007, 2:00 p.m., Room 104, City Hall

- **Mayor/Council Review of Individual Budget Requests**

December 11, 2007, 2:00 p.m., Room 104, City Hall

- **Mayor/Council Continued Review of Individual Budget Requests**

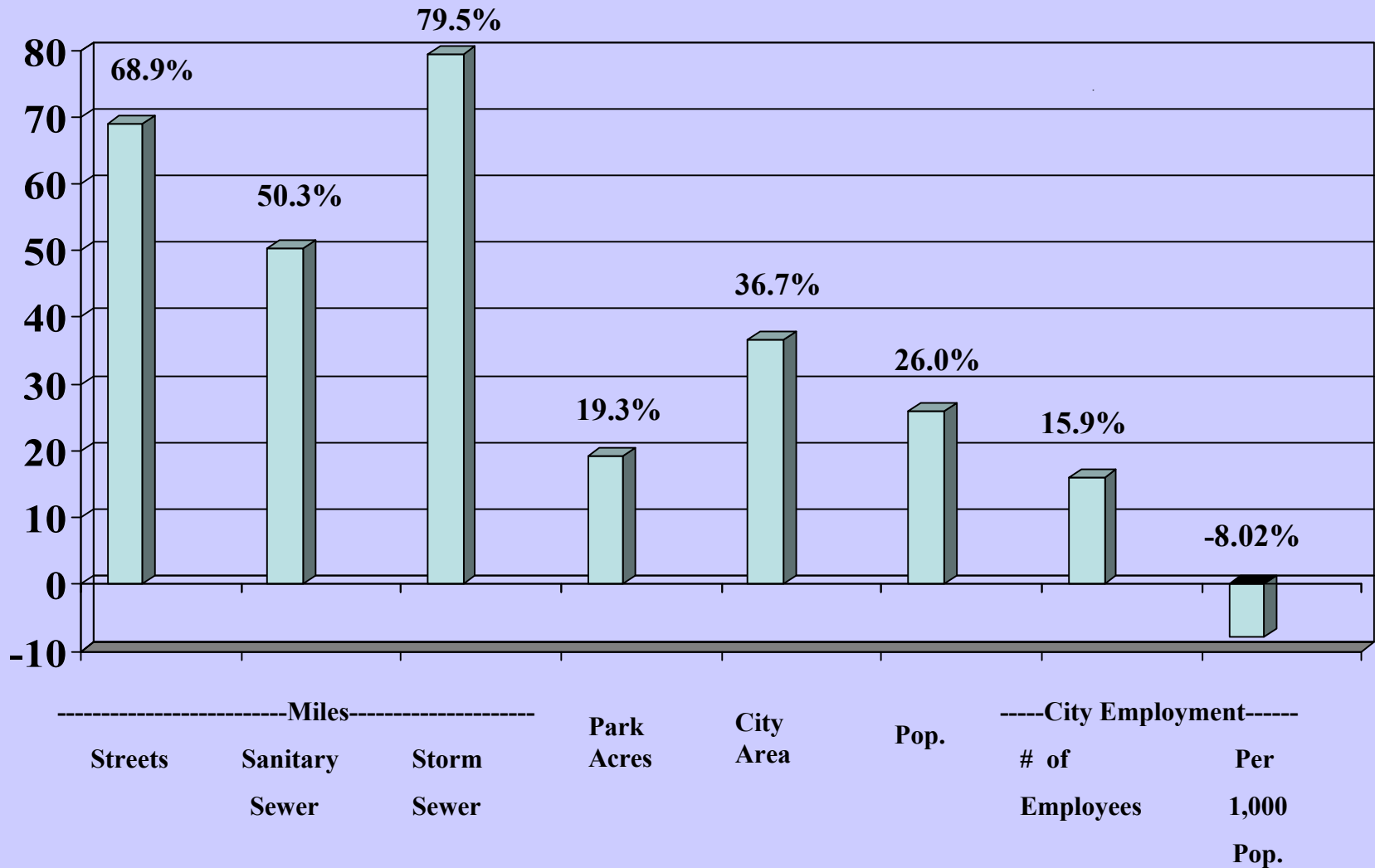
December 19, 2007, 7:00 p.m., City Council Chambers

- **Continuation hearing (if needed) and Adoption Public Hearing for 2008 Budget**

CITY OF ROCHESTER

Physical Trend Data Ten Year Trend

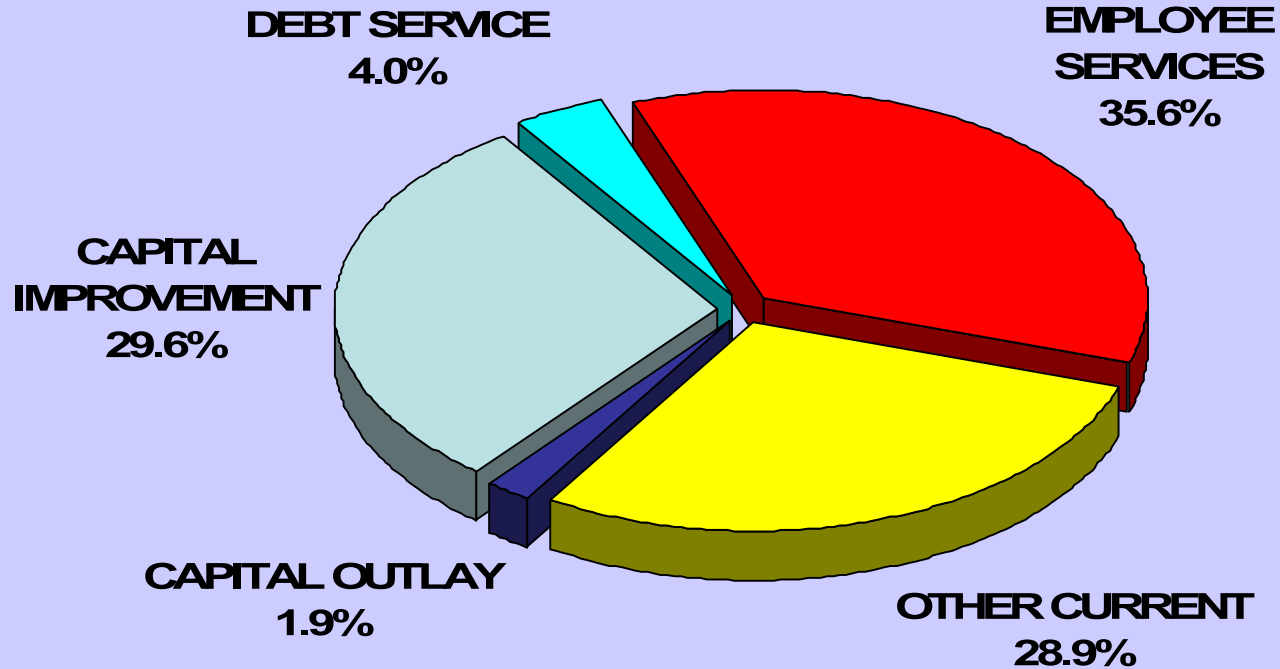
1997 Actual compared to 2006 Actual



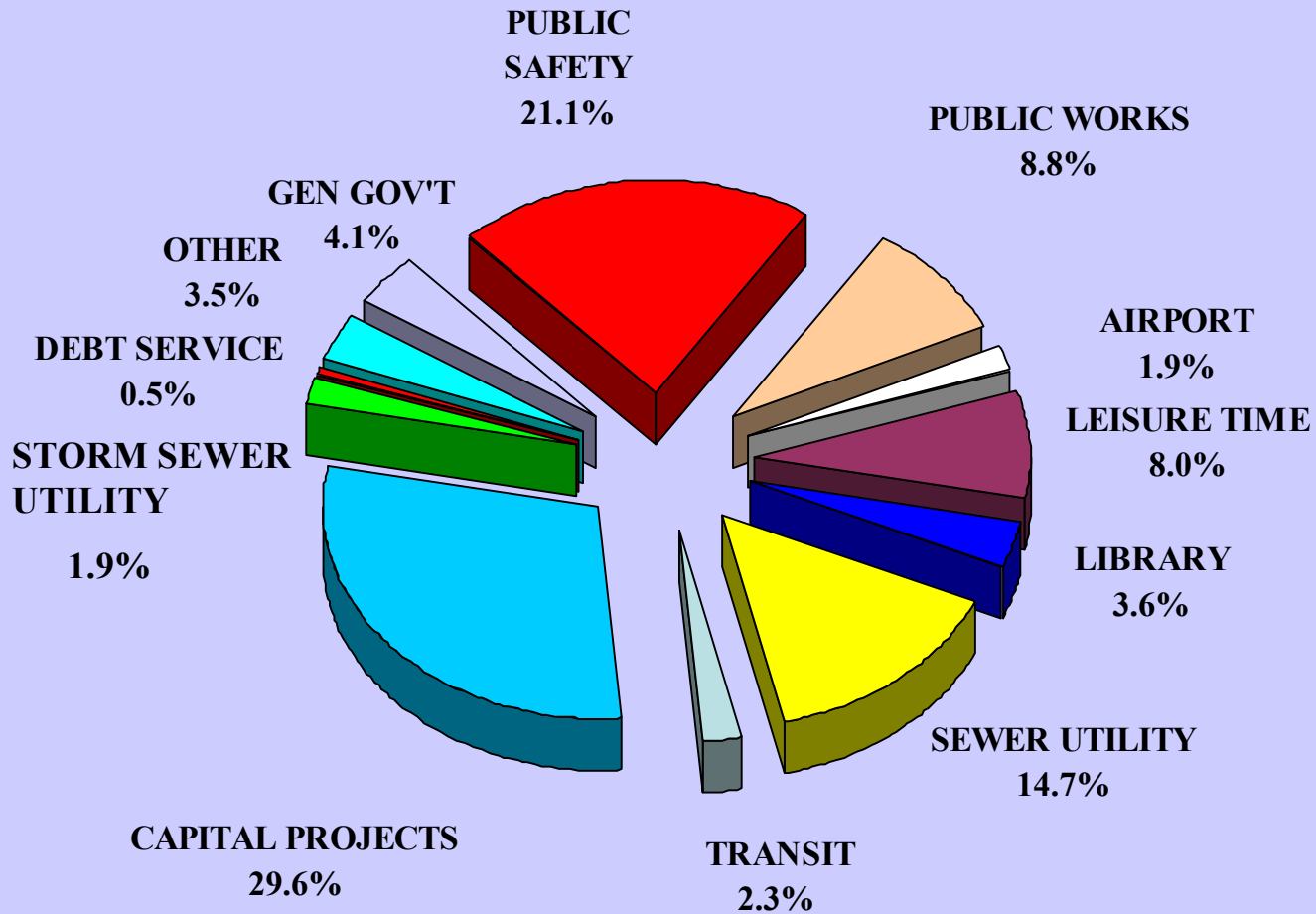
APPLICATION BY CHARACTER

Total Budget

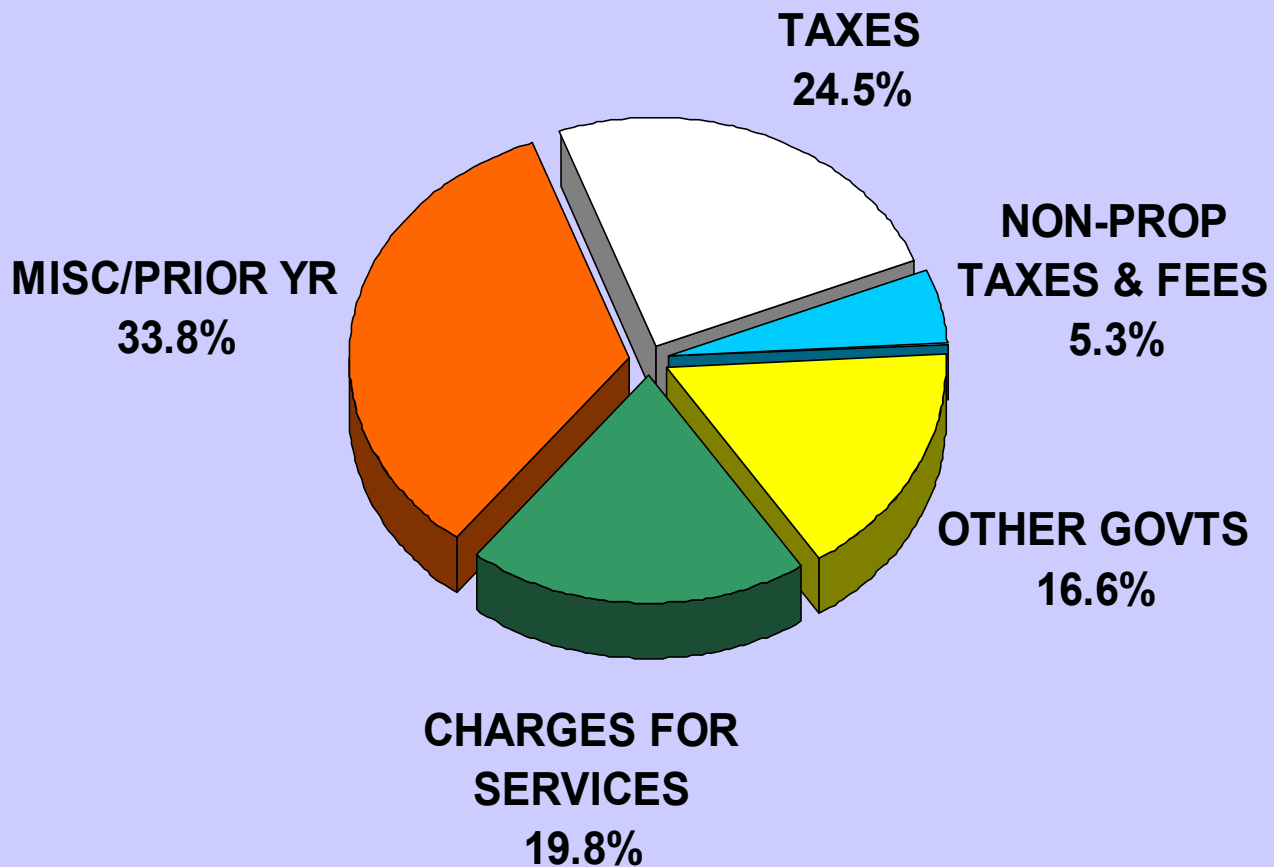
PROPOSED 2008



APPLICATION BY FUNCTION WITHOUT CIP PROJECTS ALLOCATED PROPOSED 2008



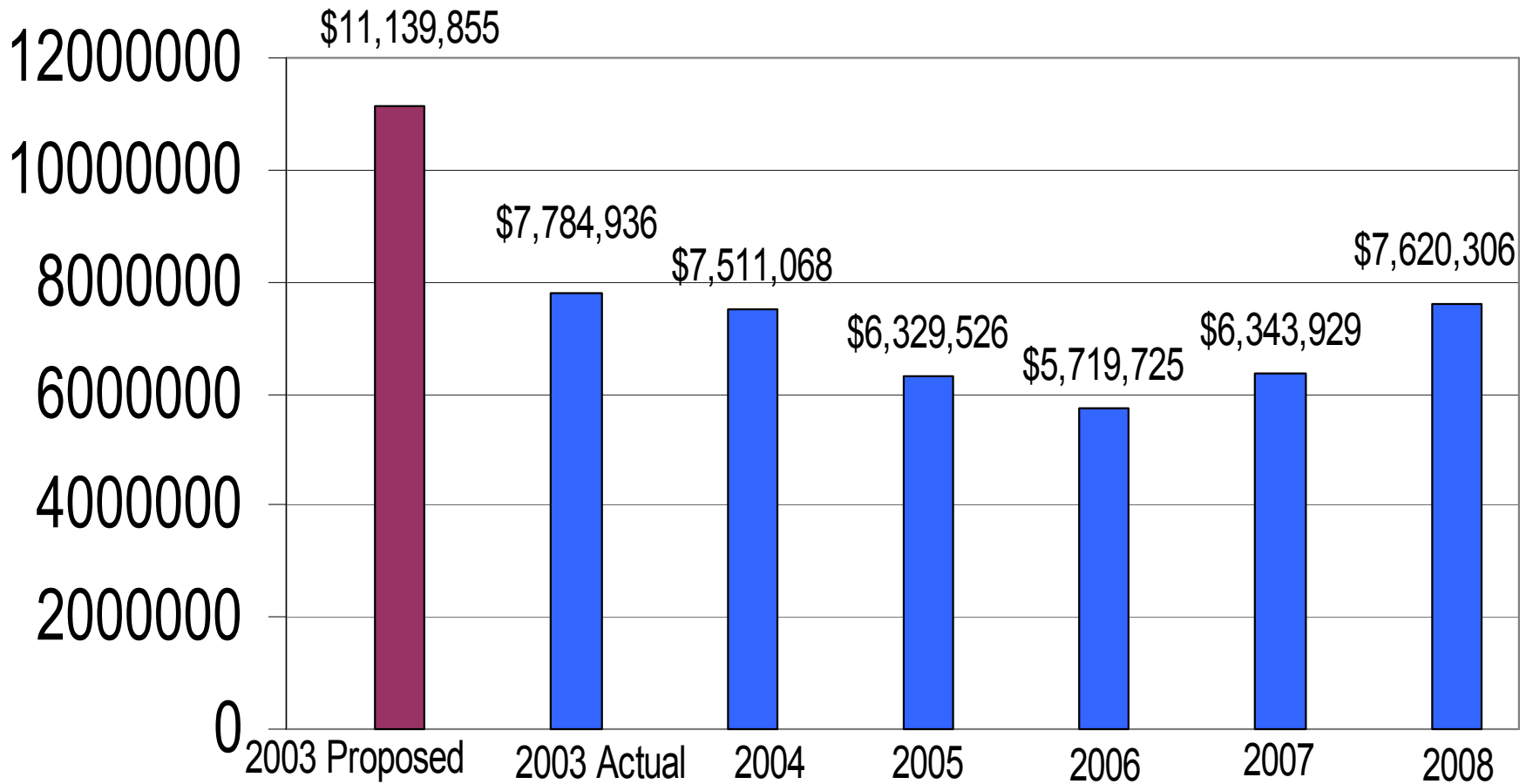
REVENUE SOURCES PROPOSED 2008 TOTAL BUDGET



2008 PROPOSED BUDGET
ANALYSIS OF MAJOR REVENUES

	2007 Budget	2008 Budget	Increase/ (Decrease)
Tax Levy	\$37,438,500	39,965,404	2,526,904
Local Government Aid	6,343,929	7,620,306	1,276,377
Hotel/Motel Tax	2,900,000	3,500,000	600,000
Cable TV Franchise Fee	1,200,000	1,200,000	-
Inspection Permits	3,061,100	2,975,000	(86,100)
In Lieu of Tax	9,818,916	10,603,678	784,762
Sewer Utility Charge	12,040,000	12,844,800	804,800
Storm Water Utility Fee	3,200,000	4,300,000	1,100,000
Library Fund			
-City Share	4,706,990	4,970,096	263,106
-County Share	823,010	879,904	56,894
Municipal Recreation Fund			
-Fee Revenues	5,720,692	5,921,395	200,703
-Non-Fee Revenues	5,581,923	6,016,125	434,202
Parking Fund			
-Parking Fines	562,000	554,000	(8,000)
-Parking Ramps	2,317,156	2,574,056	256,900
-Street Meters	660,000	643,000	(17,000)
-Parking Lots	304,461	282,036	(22,425)

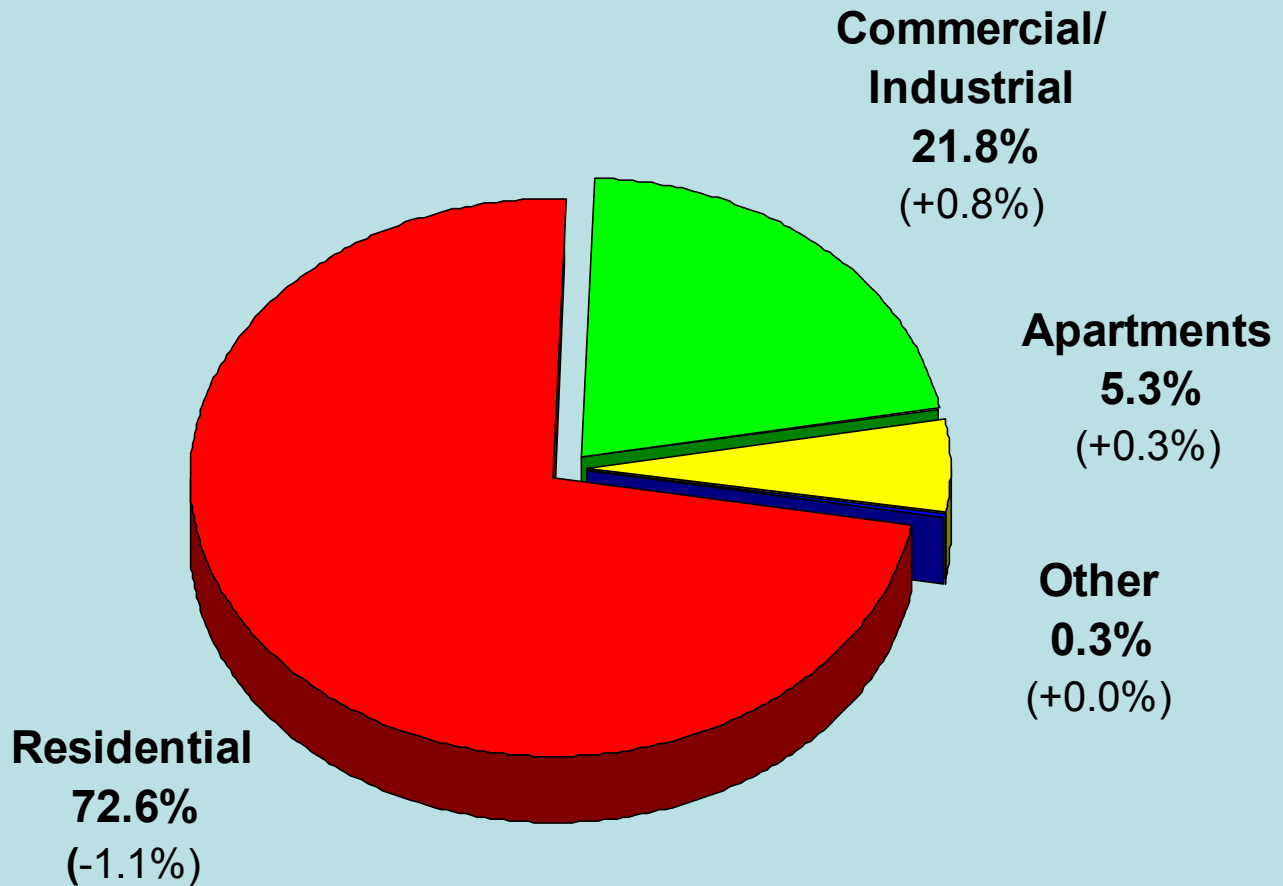
LOCAL GOVERNMENT AID HISTORY UNDER PRESENT FORMULA



2008 TAX BASE BY PROPERTY CLASS

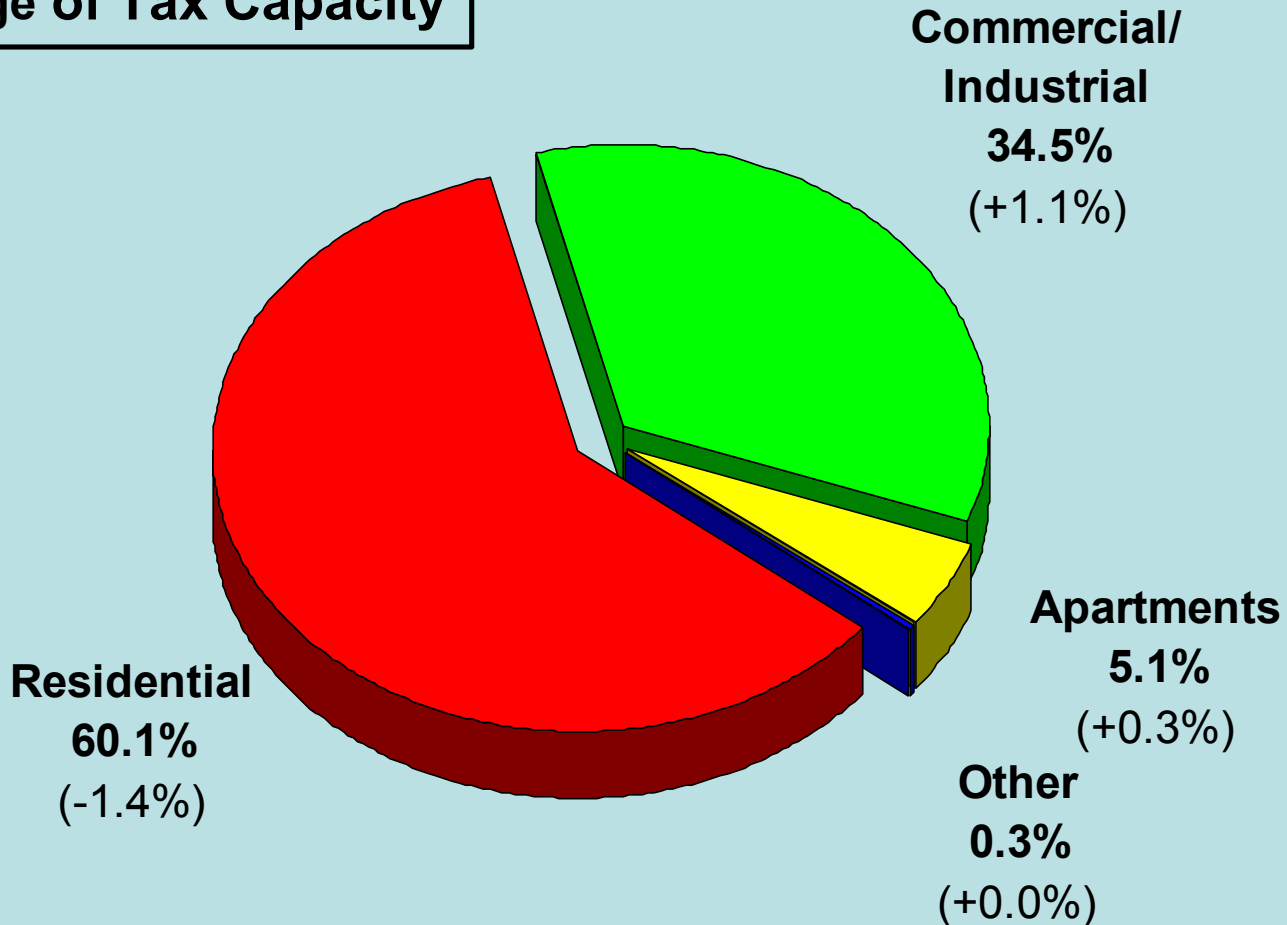
CITY OF ROCHESTER

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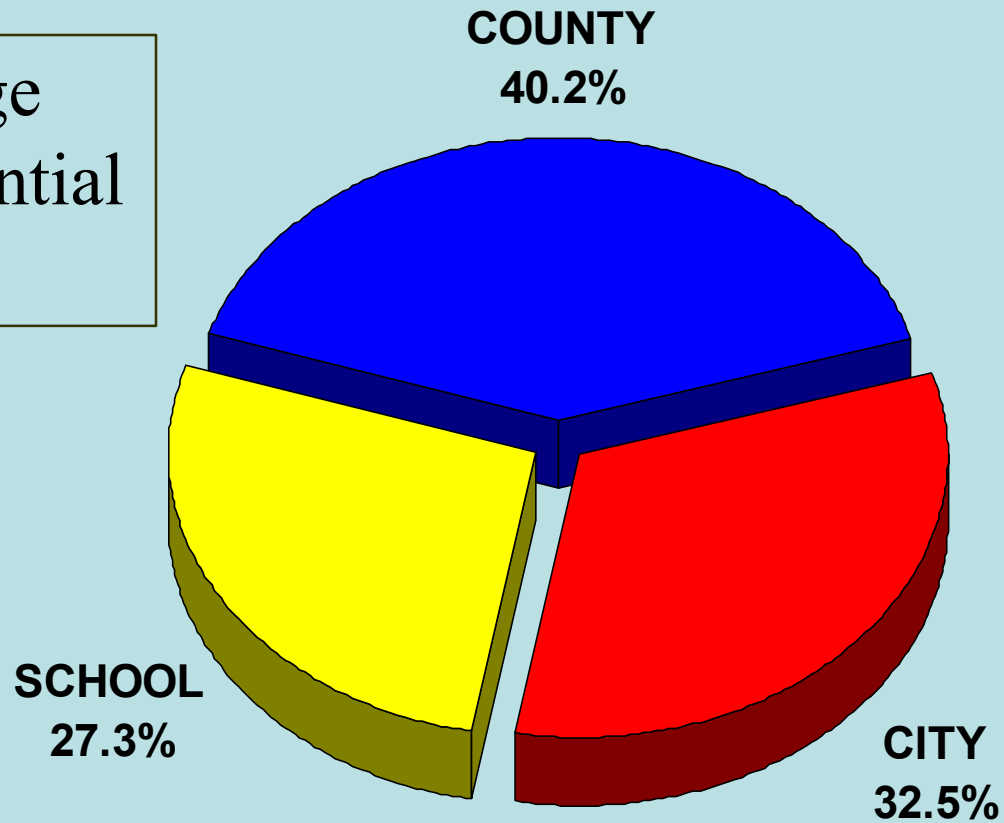
2008 TAX BASE BY PROPERTY CLASS CITY OF ROCHESTER

Percentage of Tax Capacity



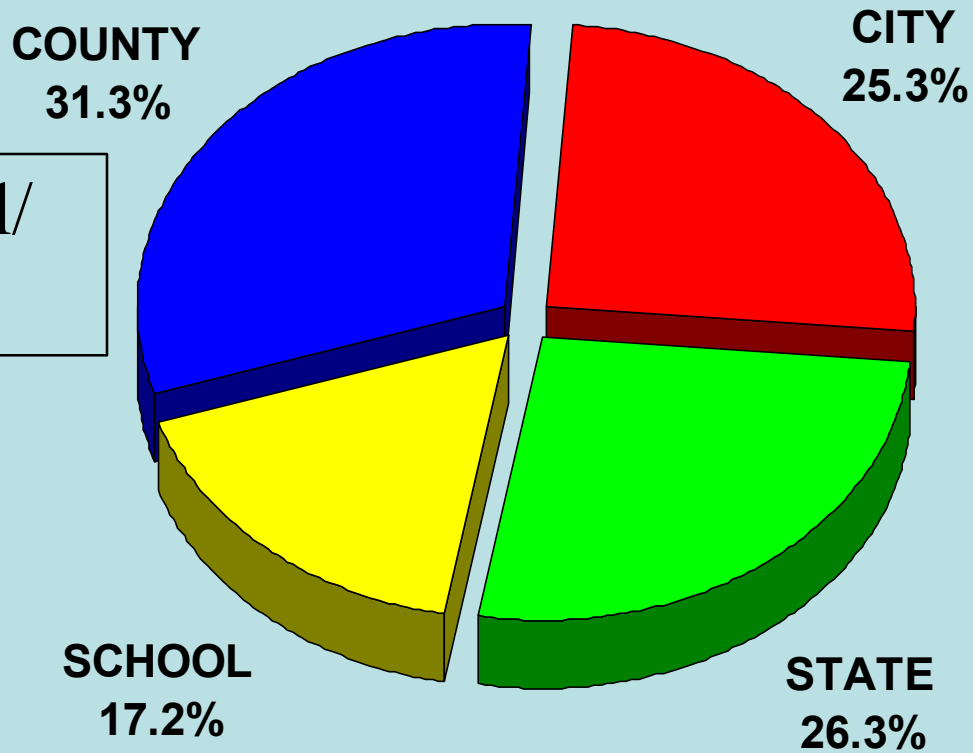
PROPOSED 2008 COMBINED TAX LEVY CITY OF ROCHESTER

Average
Residential
Home



Note: All shares are after the market value School levy is applied and the Market Value Homestead Credit is applied to all three levies.

PROPOSED 2008 COMBINED TAX LEVY CITY OF ROCHESTER



Commercial/
Industrial

Note: Commercial & Industrial properties began paying a new State property tax in 2002

Residential Combined Tax Bill

By Market Value Of Home

	2007	2008	Amount Change	Percent Change
Market Value	105,000	105,000		
Property Tax:				
City	338	344	6	1.8%
County	421	425	4	1.0%
School	302	303	1	0.3%
Total	1061	1072	11	1.0%
Market Value	195,000	195,000		
Property Tax:				
City	743	754	11	1.5%
County	925	932	7	0.8%
School	623	625	2	0.3%
Total	2,291	2,311	20	0.9%
Market Value	500,000	500,000		
Property Tax:				
City	2,085	2,117	32	1.5%
County	2,598	2,616	18	0.7%
School	1,697	1,699	2	0.1%
Total	6,380	6,432	52	0.8%

\$105,000

\$195,000

\$500,000

Commercial / Industrial Combined Tax Bill

By Market Value Of Property

\$400,000

	2007	2008	Amount Change	Percent Change
Market Value	400,000	400,000		
Property Tax:				
City	3,024	3,069	45	1.5%
County	3,767	3,794	27	0.7%
School	2,094	2,092	-2	-0.1%
State Comm.	3,480	3,190	-290	-8.3%
Total	12,365	12,145	-220	-1.8%

\$750,000

	2007	2008	Amount Change	Percent Change
Market Value	750,000	750,000		
Property Tax:				
City	5,943	6,033	90	1.5%
County	7,404	7,457	53	0.7%
School	4,075	4,070	-5	-0.1%
State Comm.	6,840	6,270	-570	-8.3%
Total	24,262	23,830	-432	-1.8%

\$2,000,000

	2007	2008	Amount Change	Percent Change
Market Value	2,000,000	2,000,000		
Property Tax:				
City	16,370	16,616	246	1.5%
County	20,393	20,539	146	0.7%
School	11,151	11,136	-15	-0.1%
State Comm.	18,840	17,270	-1,570	-8.3%
Total	66,754	65,561	-1,193	-1.8%

Rental Housing-4+ Units Combined Tax Bill

By Market Value Of Property

\$200,000

	2007	2008		
Market Value	200,000	200,000	Amount Change	Percent Change
Property Tax:				
City	1,043	1,058	15	1.4%
County	1,299	1,308	9	0.7%
School	792	792	0	0.0%
Total	3,134	3,158	24	0.8%

\$400,000

	2007	2008		
Market Value	400,000	400,000	Amount Change	Percent Change
Property Tax:				
City	2,085	2,117	32	1.5%
County	2,598	2,616	18	0.7%
School	1,584	1,585	1	0.1%
Total	6,267	6,318	51	0.8%

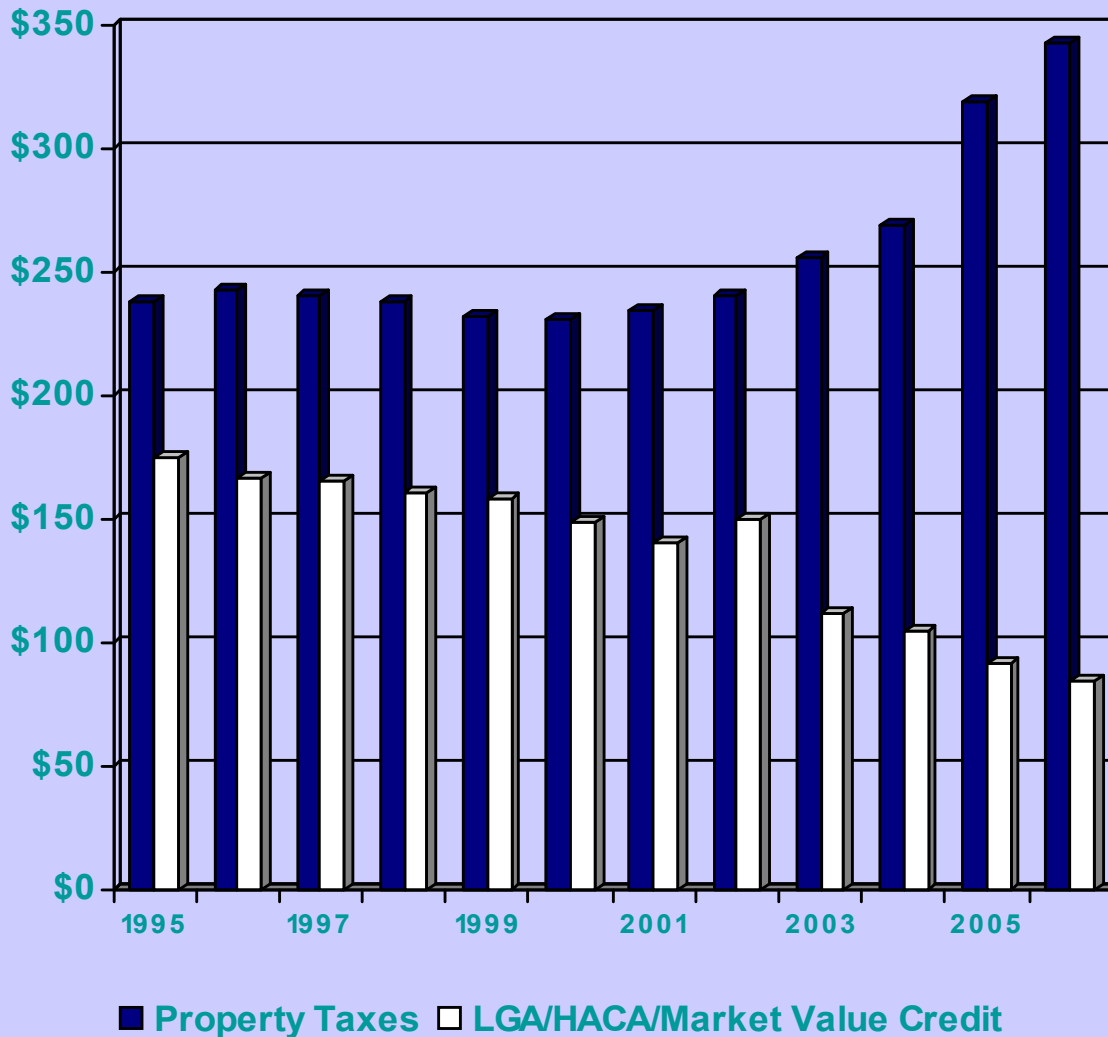
\$3,400,000

	2007	2008		
Market Value	3,400,000	3,400,000	Amount Change	Percent Change
Property Tax:				
City	17,725	17,992	267	1.5%
County	22,082	22,239	157	0.7%
School	13,465	13,469	4	0.0%
Total	53,272	53,700	428	0.8%

Top 10 Taxpayers - City of Rochester - Pay 2008

Taxpayer	Market Value	Tax Capacity	% Total City tax Capacity
Mayo	\$239,959,400	\$4,752,423	5.0%
Sunstone - Kahler	\$48,533,700	\$968,424	1.02%
MEPC-Apache Prop.	\$47,115,400	\$940,058	1.0%
IBM	\$41,552,100	\$825,237	0.87%
IRET Properties	\$37,932,800	\$513,911	0.54%
Mortenson Properties	\$24,010,400	\$477,958	0.51%
NNN 3050 Superior, LLC.	\$22,017,900	\$438,858	0.46%
Rochester Development, Inc.	\$27,494,800	\$400,375	0.42%
BGD 5 Office / Hotel	\$19,110,600	\$380,712	0.40%
Grandeville @ Cascade Lake, LP	\$21,550,500	\$269,386	0.28%

Property Taxes, LGA & HACA (Per Capita, Inflation Adjusted)



- **Per Capita Property Taxes (Excluding Market Value Credit)**

- 1996 \$243
- 2001 234
- 2006 343

- **Per Capita LGA/HACA/Market Value Credit**

- 1996 \$167
- 2001 141
- 2006 84

- **Per Capita Total of Property Taxes, LGA/HACA/Market Value Credit**

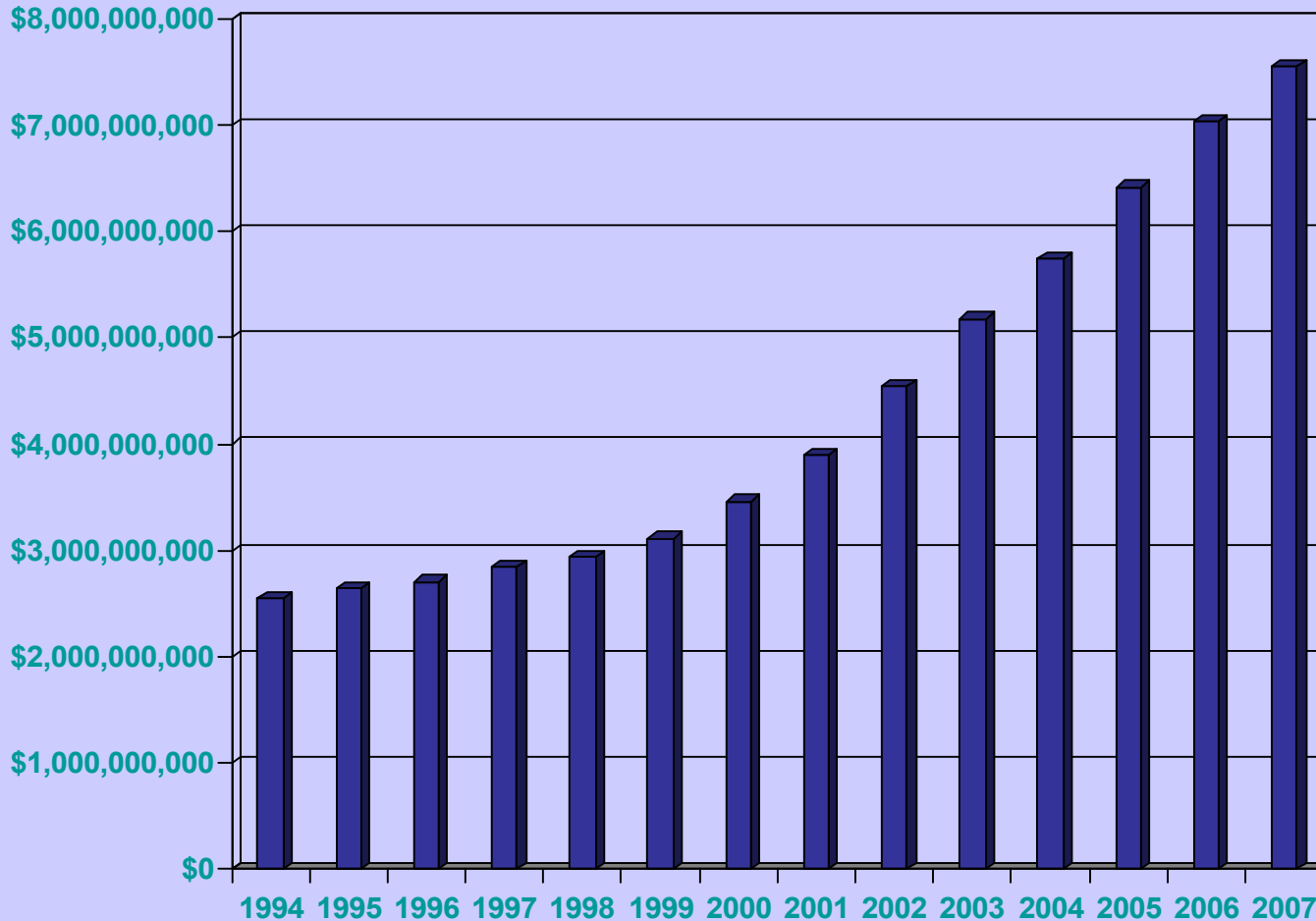
- 1996 \$410
- 2001 375
- 2006 427

- **Population**

- 2001 88,858
- 2006 98,649

Estimated Market Value

Real and Personal Property



- **Estimated Market Value for 2007 is \$7.5 Billion, up \$517 Million or 7.3% from 2006**

City of Rochester 2008 Proposed Budget Hearing



December 3, 2007

2007 City of Rochester Growth Information

1) From 1/1/07 to 10/31/07 building permits for 383 (63 less than 2006) single family dwellings (sfd detached and attached) and 136(101 less than 2006) multi-family dwelling units were issued; to date a total of 519 units (164 less than 2006).

2) The 2000 Census had a Rochester population of 85,806 persons. The State Demographer's last estimate of population for the City for the year 2006 is 98,649 persons. The current population estimate is 99,670. The Planning Department estimate is that the City will exceed the 100,000 population threshold on January 1, 2008 due to growth and annexation.

3) In the calendar year of 2006, the City grew by 760 acres to a City total of 32,971 acres for an area of 51.52 sq. mi.. As of this date, the City has annexed 74 acres in 2007. The City is 33,045 acres for an area of 51.63 sq. miles. As of January 1, 2008 with the Marion OA #2, the City will annex an additional 810 acres.