



Local Artist - Frederick L. Ginocchio

Public Hearing Presentation
City of Rochester Proposed 2015 Budget
December 1, 2014

CITY OF ROCHESTER
2015 PROPOSED BUDGET SUMMARY

December 1, 2014, 2:00 p.m., Room 104, City Hall

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

December 1, 2014, 7:00 p.m., City Council Chambers

- **Initial Public Hearing on 2015 Proposed Budget**

December 2, 2014, 2:00 p.m., Room 104, City Hall

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

December 3, 2014, 2:00 p.m., Room 104, City Hall

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

December 15, 2014, 7:00 p.m., City Council Chambers

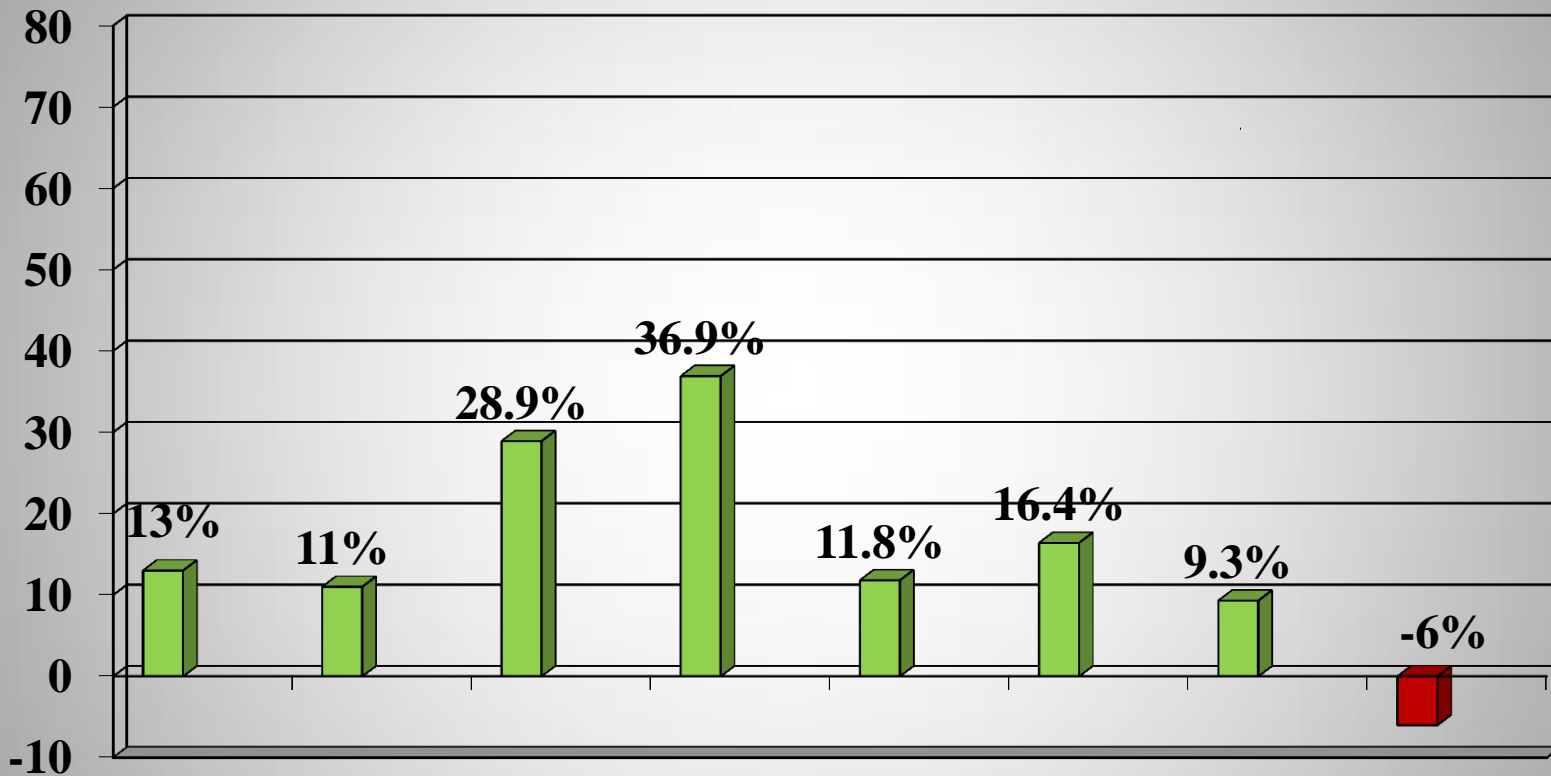
- **Adoption Public Hearing for 2015 Budget**

CITY OF ROCHESTER

Physical Trend Data

Ten Year Trend

2004 Actual compared to 2013 Actual



-----Miles-----

Streets

Sanitary

Storm

Park
Acres

City
Area

Pop.

-----City Employment-----

of

Employees

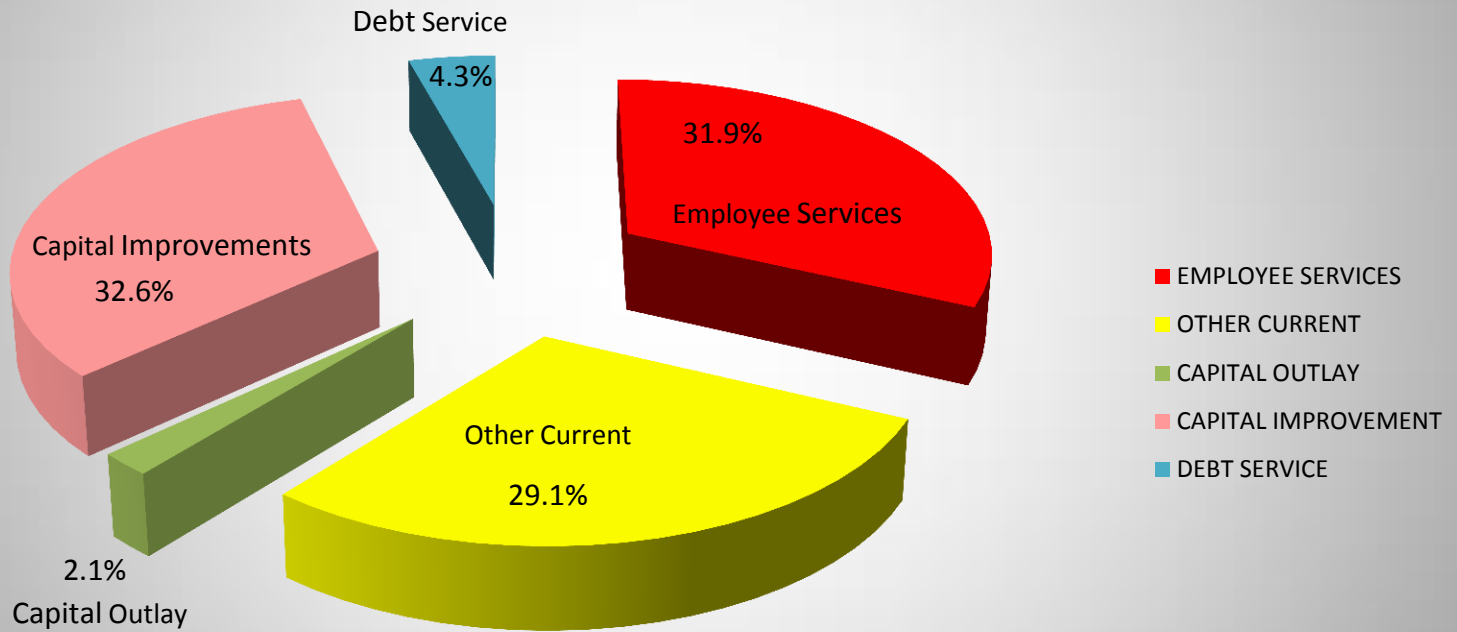
Per

1,000

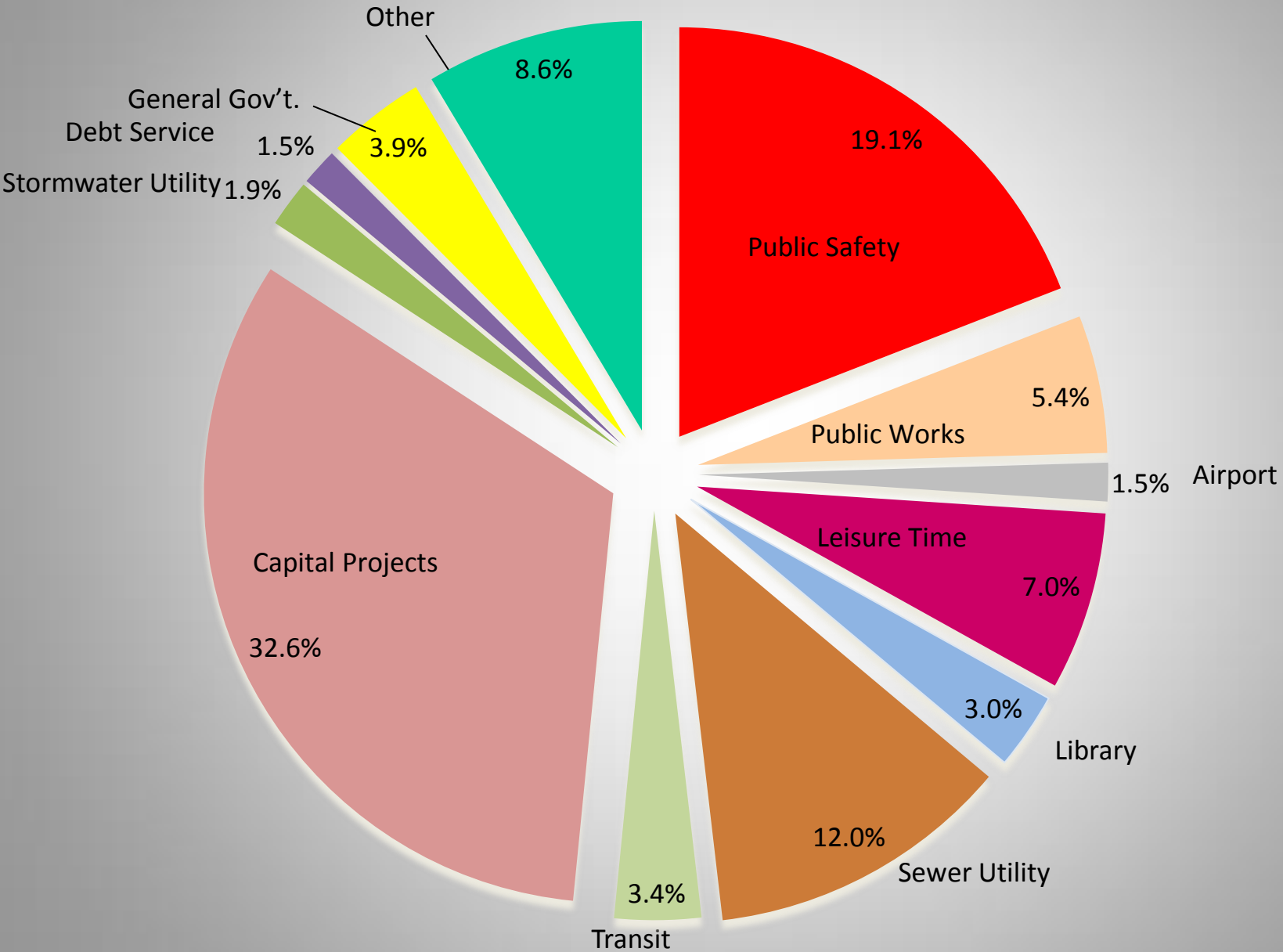
Pop.

APPLICATION BY CHARACTER

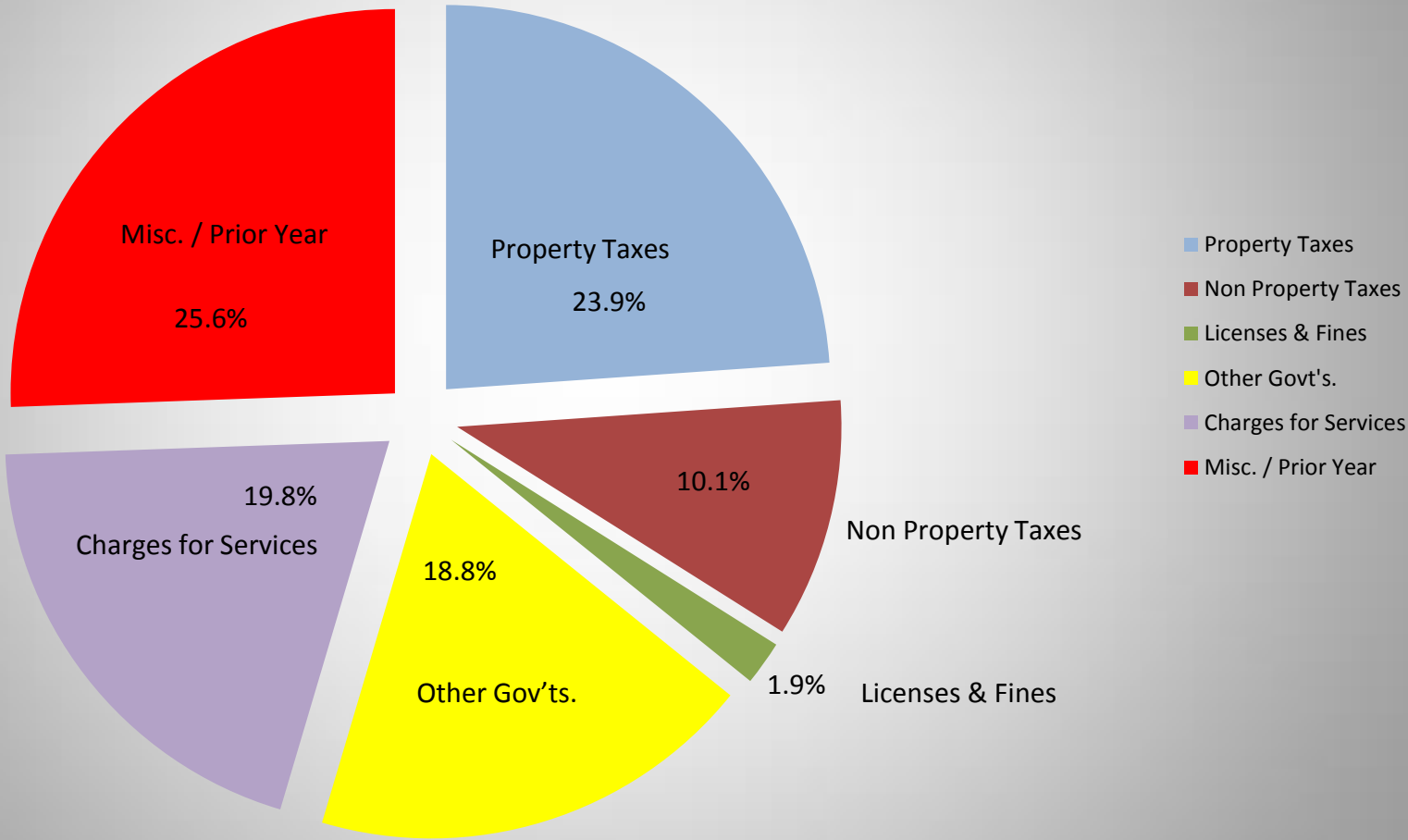
Total Budget PROPOSED 2015



APPLICATION BY FUNCTION
WITHOUT CIP PROJECTS ALLOCATED PROPOSED 2015



REVENUE SOURCES PROPOSED 2015 TOTAL BUDGET



2015 PROPOSED BUDGET ANALYSIS OF MAJOR REVENUES

	2014 Adopted Budget	2015 Proposed Budget	Increase/(Decrease)
Tax Levy & Tax Abatements	50,048,118	53,400,000	3,351,882
Local Government Aid	6,930,376	7,148,299	217,923
Hotel/Motel Tax	4,150,000	4,400,000	250,000
Cable TV Franchise Fee	1,400,000	1,400,000	0
Natural Gas Franchise Fee		350,000	0
Inspection Permits	2,427,550	2,751,608	324,058
In Lieu of Tax	11,082,289	11,468,410	386,121
Sewer Utility Charge	19,500,000	21,000,000	1,500,000
Storm Water Utility Fee	5,075,000	5,018,685	(56,315)
Library Fund			
City Share-Levy	5,545,547	5,740,271	194,724
County Share	830,719	861,399	30,680
Municipal Recreation Fund			
Fee Revenues	4,221,887	3,900,920	(320,967)
Non-Fee Revenues	5,865,435	6,289,664	424,229
Mayo Civic Center			
Fee Revenues	2,808,244	2,724,030	(84,214)
Non-Fee Revenues	956,081	1,168,381	212,300
Parking Fund			
Parking Fines	360,300	291,100	(69,200)
Parking Ramps	4,001,191	4,411,007	409,816
Street Meters	954,000	992,000	38,000
Parking Lots	353,579	418,262	64,683

Proposed 2015 Budget Amounts compared to Essential Services

2015 Recommended Property Tax Levy	\$53,400,000
Minus property taxes allocated to Capital Improvements	<u>-\$3,498,544</u>
 Property Taxes available to fund City operating services	 \$49,901,456

Proposed expenditures for:

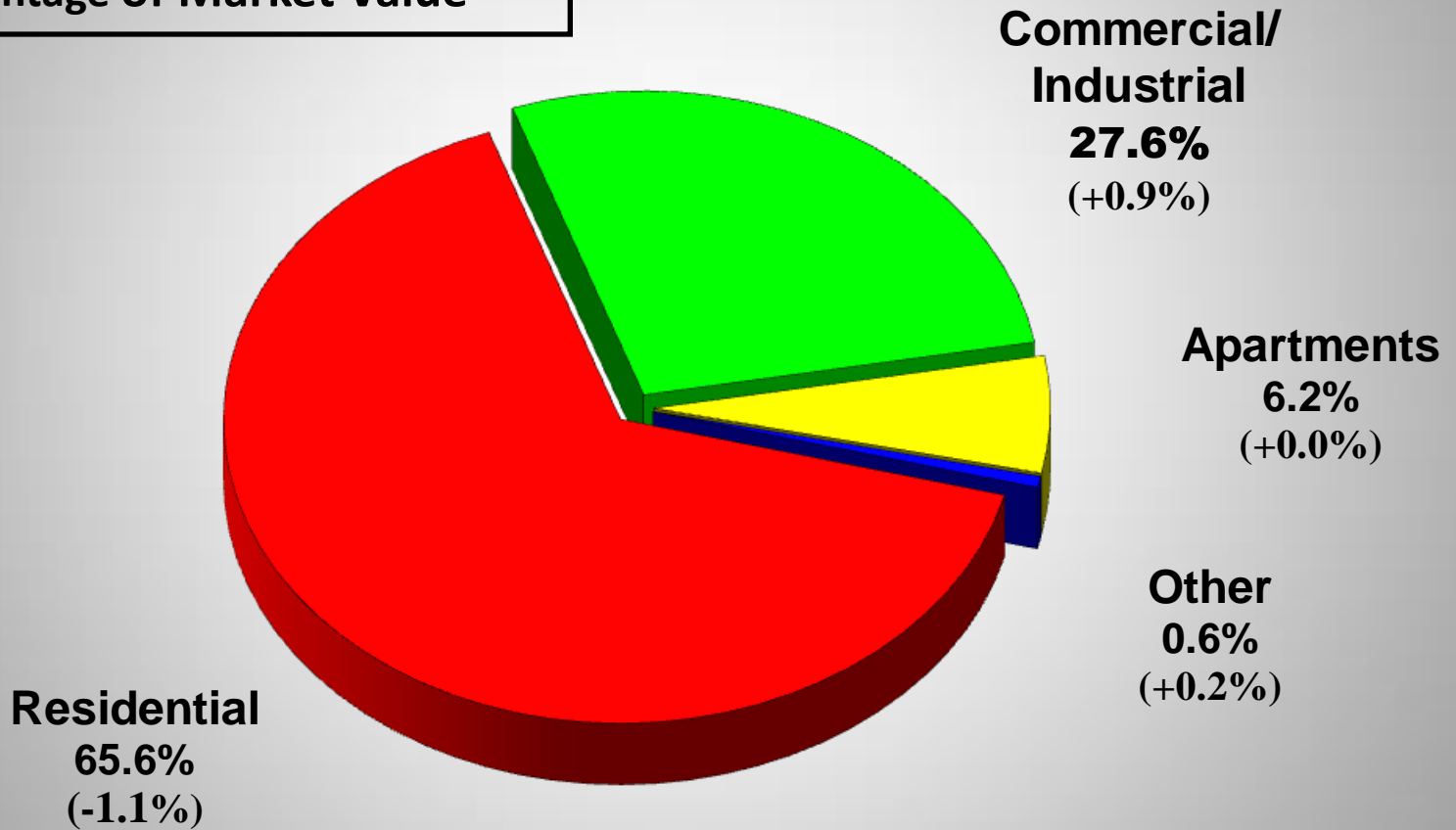
	<u>2015 Operating</u>	<u>2015 Total CIP</u>	<u>CIP funded w/ tax levy \$</u>
Police Department	\$23,818,150	\$823,420	\$368,360
Fire Department	\$14,716,614	\$1,820,000	\$175,755
Street Maintenance	\$6,614,529	\$8,387,445	\$0
Traffic Management	\$1,367,623	\$2,412,500	\$183,100
Street Lighting	<u>\$1,283,055</u>	<u>\$0</u>	<u>\$0</u>
	\$47,799,971	\$13,443,365	\$727,215

Essential Services =95.8% of City's property tax levy allocated to Operating Budget and 20.8% of the property tax levy allocated to the CIP.

2015 TAX BASE BY PROPERTY CLASS

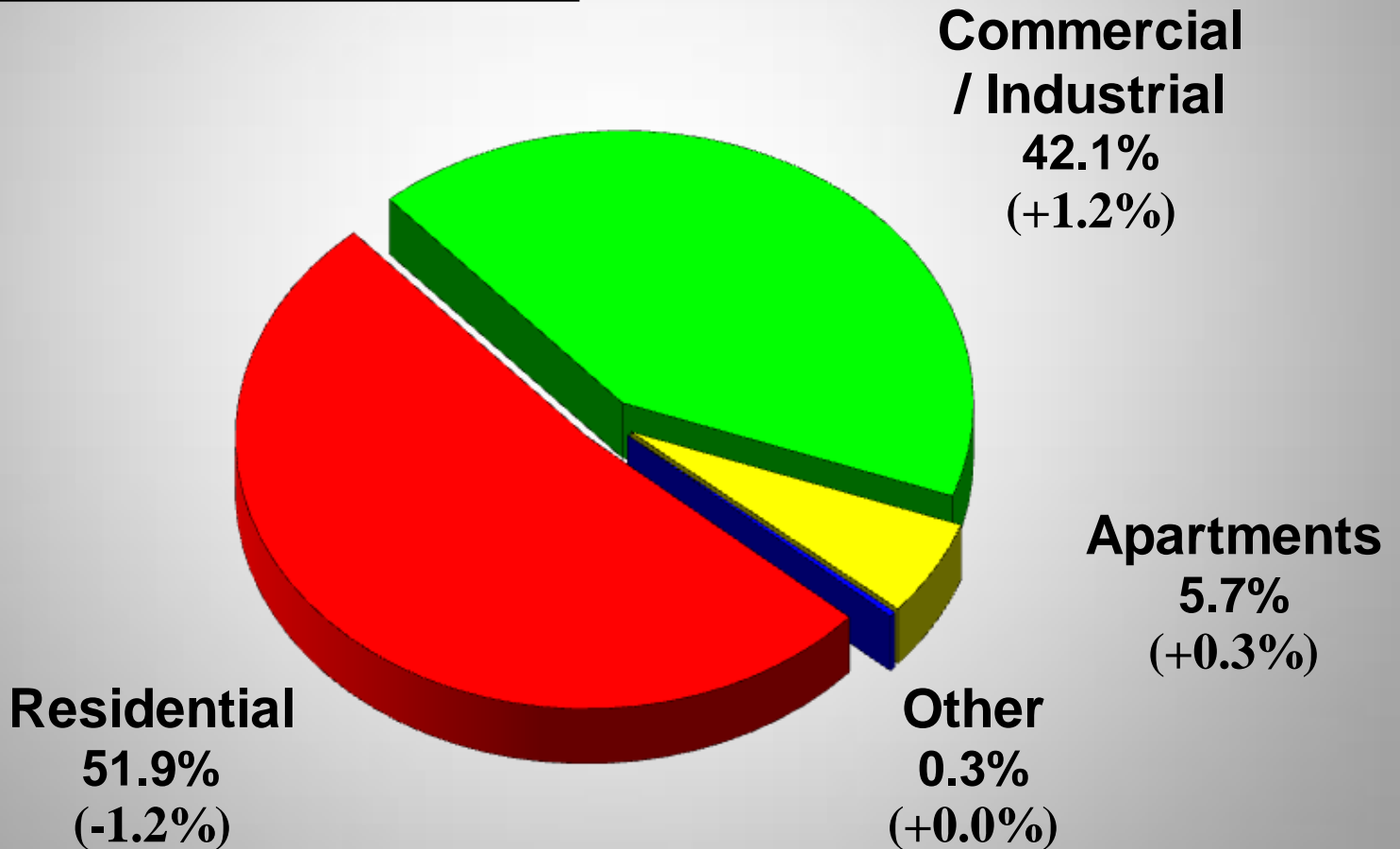
CITY OF ROCHESTER

Percentage of Market Value



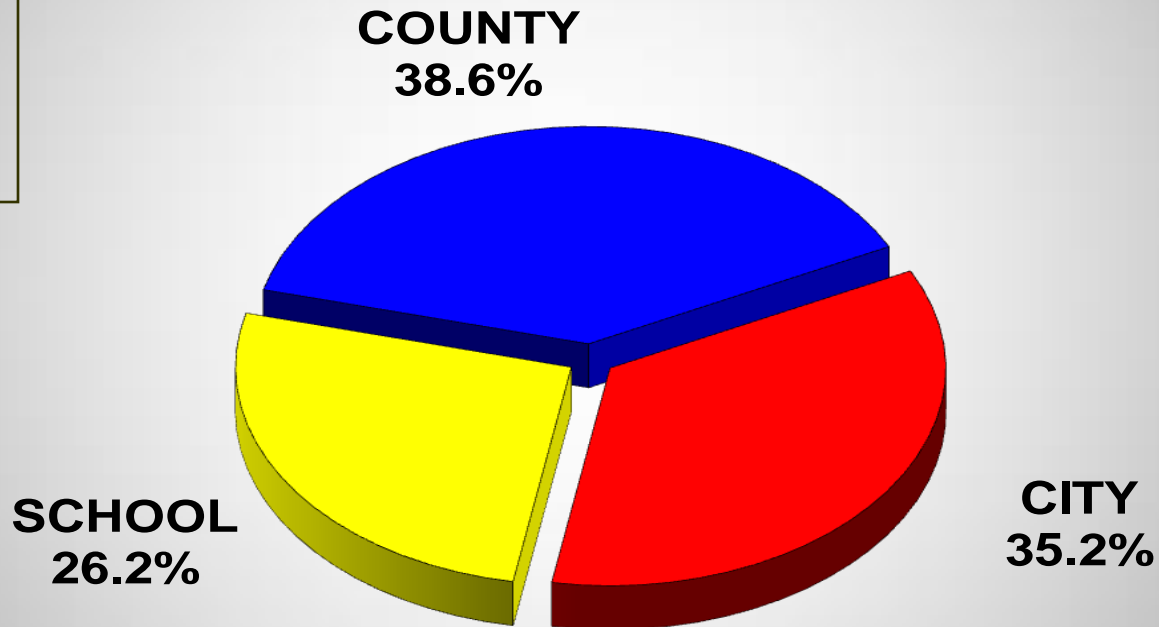
2015 TAX BASE BY PROPERTY CLASS CITY OF ROCHESTER

Percentage of Tax Capacity

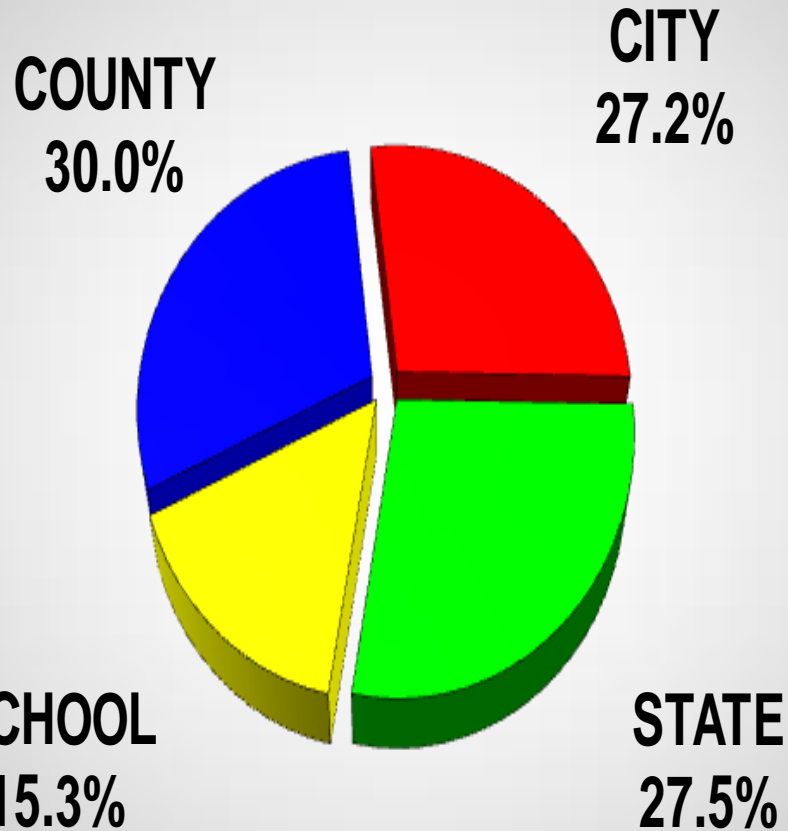


PROPOSED 2015 COMBINED TAX LEVY CITY OF ROCHESTER

Average
Residential
Home



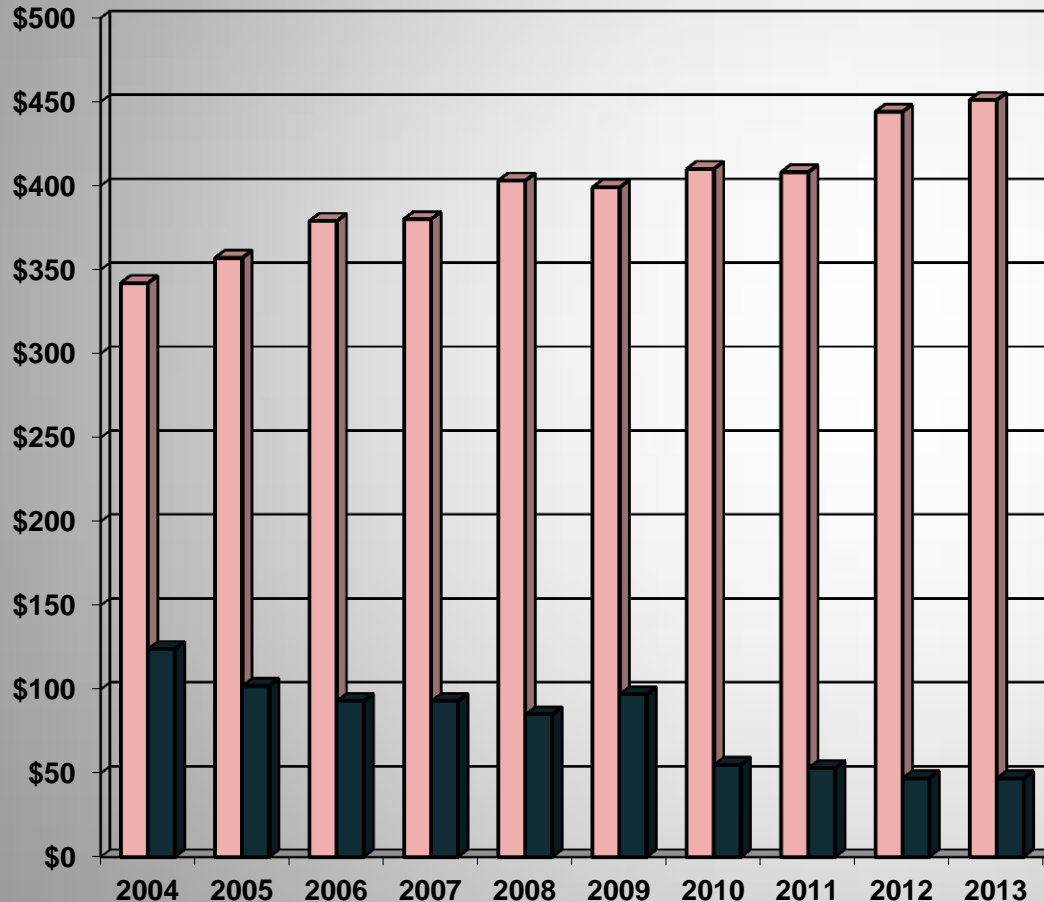
PROPOSED 2015 COMBINED TAX LEVY CITY OF ROCHESTER



Commercial/
Industrial

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

Property Taxes, LGA, & Market Value Credit (Per Capita, Inflation Adjusted)

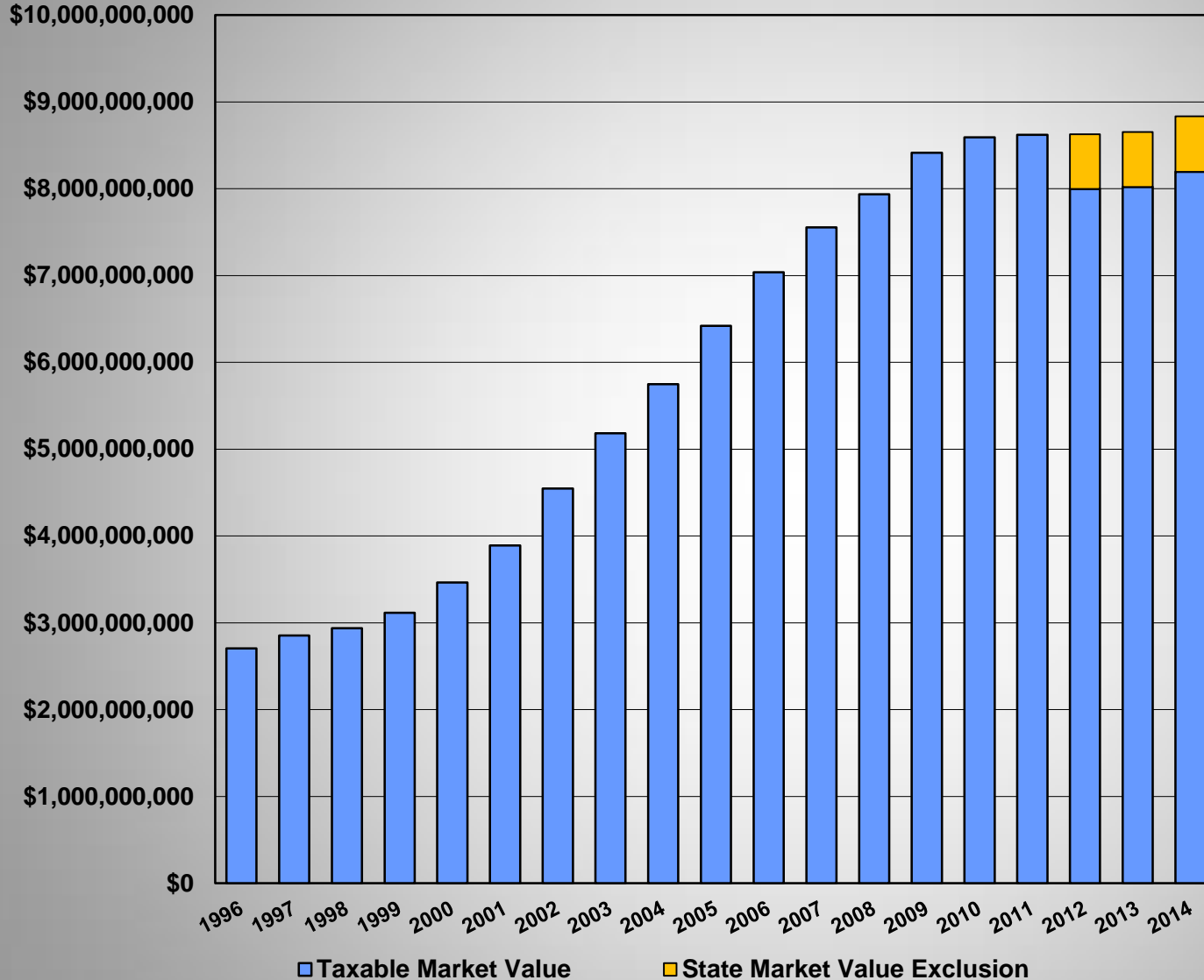


□ Property Taxes

■ LGA/Market Value Credit

- **Per Capita Property Taxes
(Excluding Market Value Credit)**
 - 2004 \$342
 - 2008 408
 - 2013 445
- **Per Capita LGA/Market Value Credit**
 - 2004 \$124
 - 2008 86
 - 2013 47
- **Per Capita Total of Property Taxes, LGA/Market Value Credit**
 - 2004 \$466
 - 2008 494
 - 2013 492
- **Population**
 - 2004 94,820
 - 2008 102,437
 - 2013 110,337

Estimated Market Value

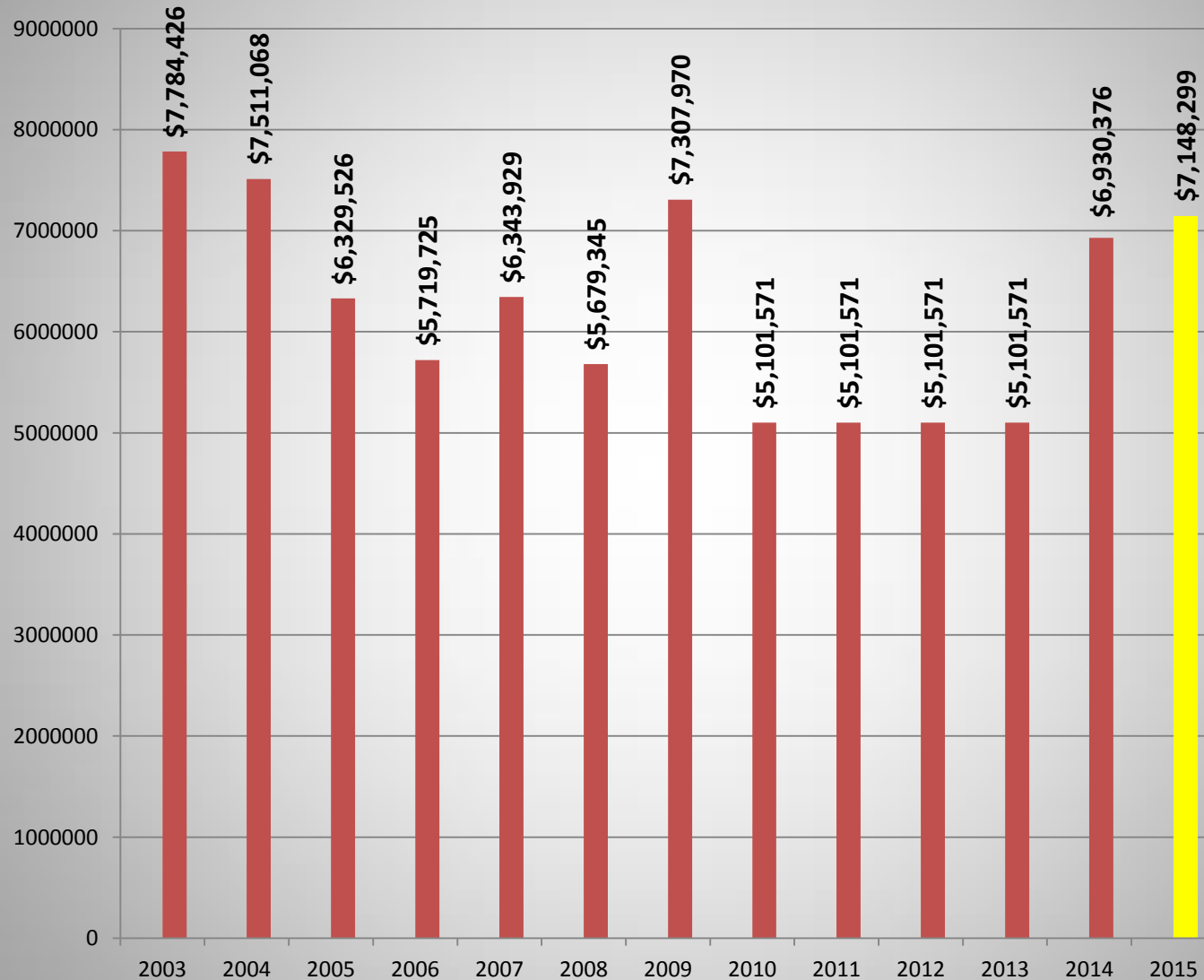


Total Market Value increased by \$181 Million from 2013

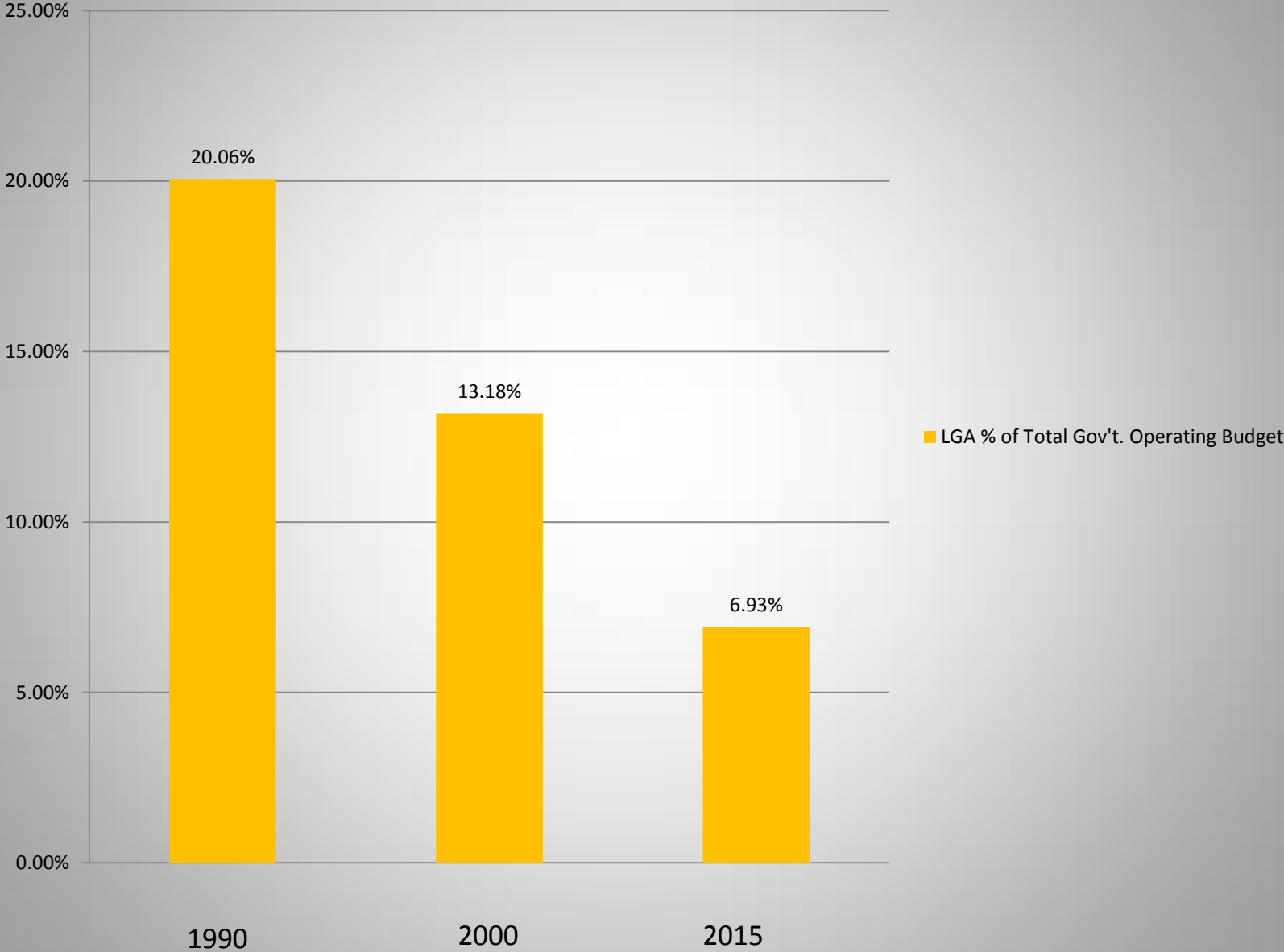
Taxable Market Value for 2014 is \$8.19 Billion, up \$174 Million or 2.2% from 2013

Includes both real property and personal property

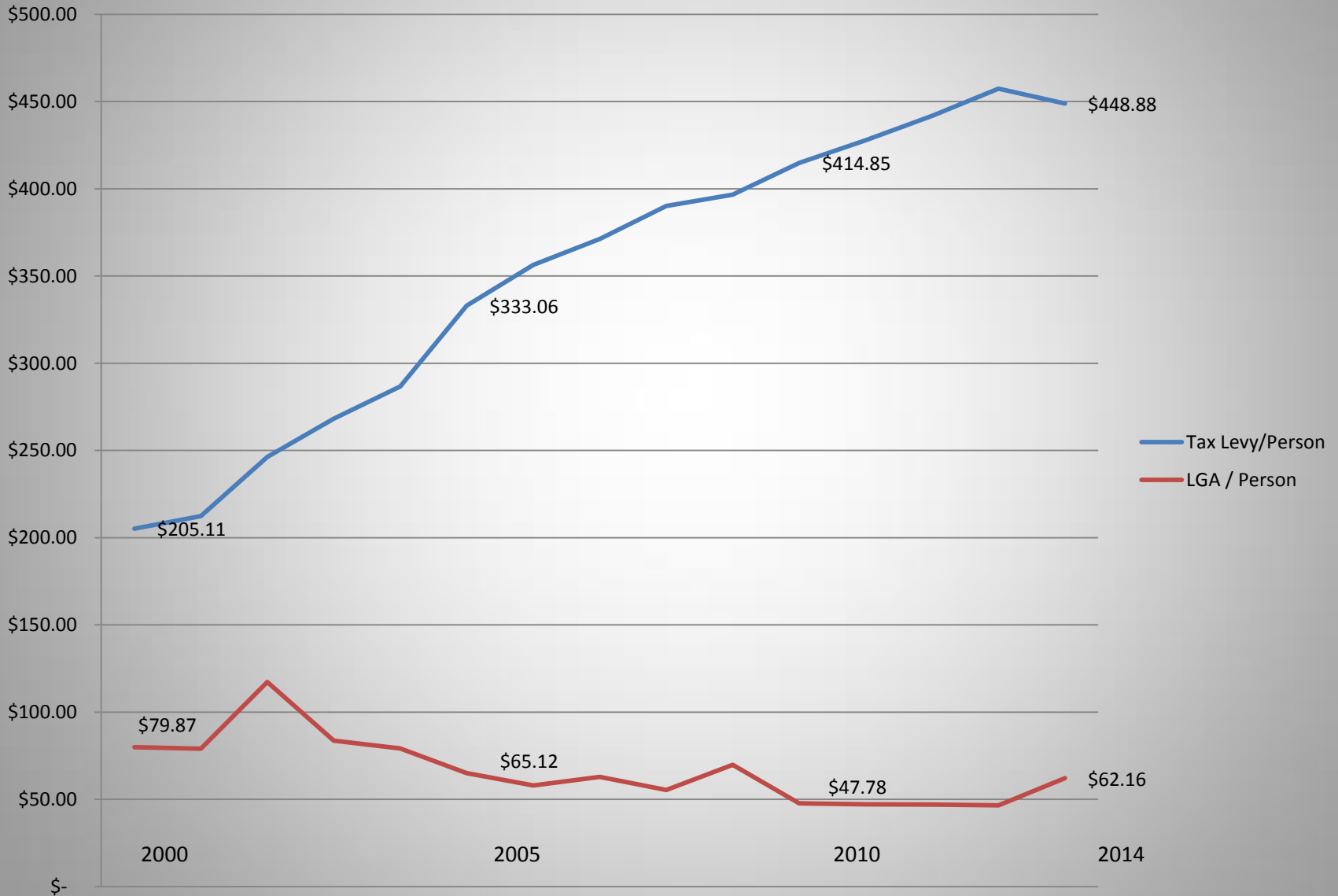
City of Rochester LGA History Since 2003



LGA % of Total Gov't. Operating Budget



2000-2014 comparison of Property Tax levy vs. LGA / person



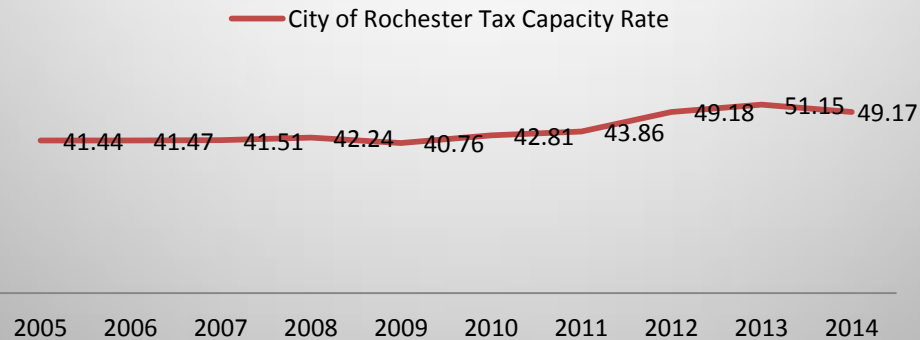
Amount of Property Tax Levy (including abatement) attributable to Capital Improvement Project Budget from 2005 - 2015



City of Rochester Property Tax Rates since 2005

Year	City of Rochester Tax Capacity Rate
2005	41.44
2006	41.47
2007	41.51
2008	42.24
2009	40.76
2010	42.81
2011	43.86
2012	49.18
2013	51.15
2014	49.17

City of Rochester Tax Capacity Rate



Comparison of Rochester 2014 Tax Rate to Other MN Cities
 (based upon 2014 LMC Property Tax Report Data)

City	2014 City Property Tax Rate	2014 LGA / Capita Comparison		LGA as % of Tax Levy
Minneapolis	71.80	\$	189.72	28.3%
St. Paul	46.07	\$	203.76	59.7%
Duluth	32.34	\$	337.72	149.6%
Winona	34.71	\$	349.66	162.6%
Austin	40.75	\$	315.42	191.2%
Moorhead	37.33	\$	181.07	83.9%
Mankato	43.55	\$	167.34	46.9%
St. Cloud	44.87	\$	177.11	62.4%
Rochester	49.17	\$	62.77	13.8%
Albert Lea	62.05	\$	287.37	88.4%
Owatonna	58.30	\$	153.90	40.6%

2014 Comparison of City Tax Rates to Area Cities

Stewartville	55.37	\$	137.76	43.7%
Kasson	79.18	\$	161.49	41.5%
Byron	60.48	\$	50.04	11%
Eyota	58.06	\$	242.66	89.9%
Chatfield	83.28	\$	267.55	61.3%
Dover	55.54	\$	170.20	61.5%
Dodge Center	90.14	\$	251.51	54%
Pine Island	70.89	\$	173.44	37.7%

City Employee / Thousand Population Data Comparison

YEAR	NO. CITY EMPLOYEES	ESTIMATED CITY POPULATION	CITY EMPLOYEES / 1000 POPULATION	CITY EMPLOYEES / 1000 POPULATION
1980	450.25	57,890	7.77	7.77
1990	501	70,745	7.08	7.08
2000	570.7	85,806	6.64	6.64
2010	646.93	106,769	6.06	6.06
2014	658.75	111,496	5.91	5.91

Top 10 Taxpayers – City of Rochester

Taxpayer	Taxable Market Value	Tax Capacity	% Total City Net Tax Capacity
Mayo	\$ 318,705,000	\$ 6,411,282	5.91%
MEPC / Apache Properties	\$ 56,752,000	\$ 1,132,040	1.04%
Kahler Properties	\$ 53,601,100	\$ 1,070,072	0.99%
BGD 5	\$ 38,931,200	\$ 776,524	0.72%
IBM	\$ 28,914,900	\$ 577,548	0.53%
Maine Land, LLC.	\$ 24,034,900	\$ 476,018	0.44%
Target Corp.	\$ 22,888,300	\$ 456,266	0.42%
IRET Properties	\$ 26,579,900	\$ 394,482	0.36%
Grandeville	\$ 25,035,500	\$ 313,194	0.29%
City of Rochester	\$ 14,341,000	\$ 286,070	0.26%

City of Rochester

2015 Proposed Budget Meeting



December 1, 2014