



Photo by – Deana Carr

Public Hearing Presentation  
City of Rochester Proposed 2016 Budget  
December 7, 2015

**CITY OF ROCHESTER**  
**2016 PROPOSED BUDGET SUMMARY**

**December 7, 2015, 2:00 p.m., Room 104, City Hall**

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

**December 7, 2015, 7:00 p.m., City Council Chambers**

- **Initial Public Hearing on 2016 Proposed Budget**

**December 8, 2015, 2:00 p.m., Room 104, City Hall**

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

**December 9, 2015, 2:00 p.m., Room 104, City Hall**

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

**December 21, 2015, 7:00 p.m., City Council Chambers**

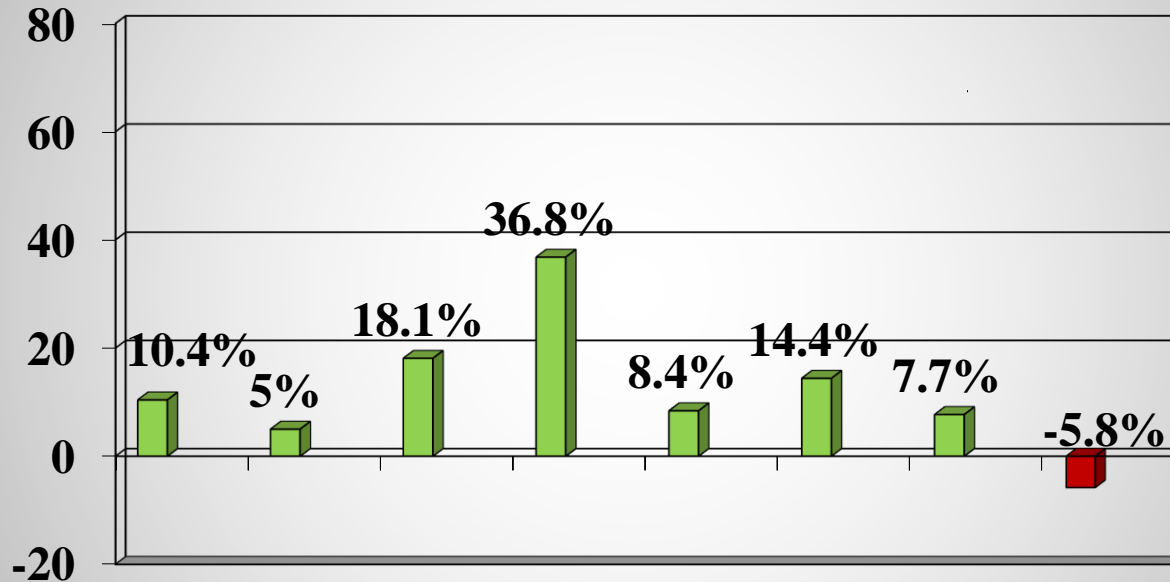
- **Adoption Public Hearing for 2016 Budget**

# CITY OF ROCHESTER

Physical Trend Data

Ten Year Trend

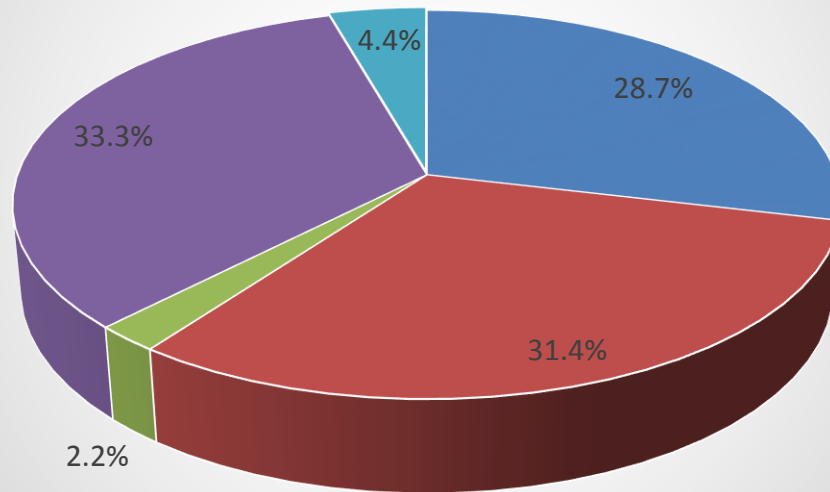
2005 Actual compared to 2014 Actual



-----Miles-----						-----City Employment-----	
Streets	Sanitary Sewer	Storm Sewer	Park Acres	City Area	Pop.	# of	Per
						Employees	1,000
							Pop.

# APPLICATION BY CHARACTER

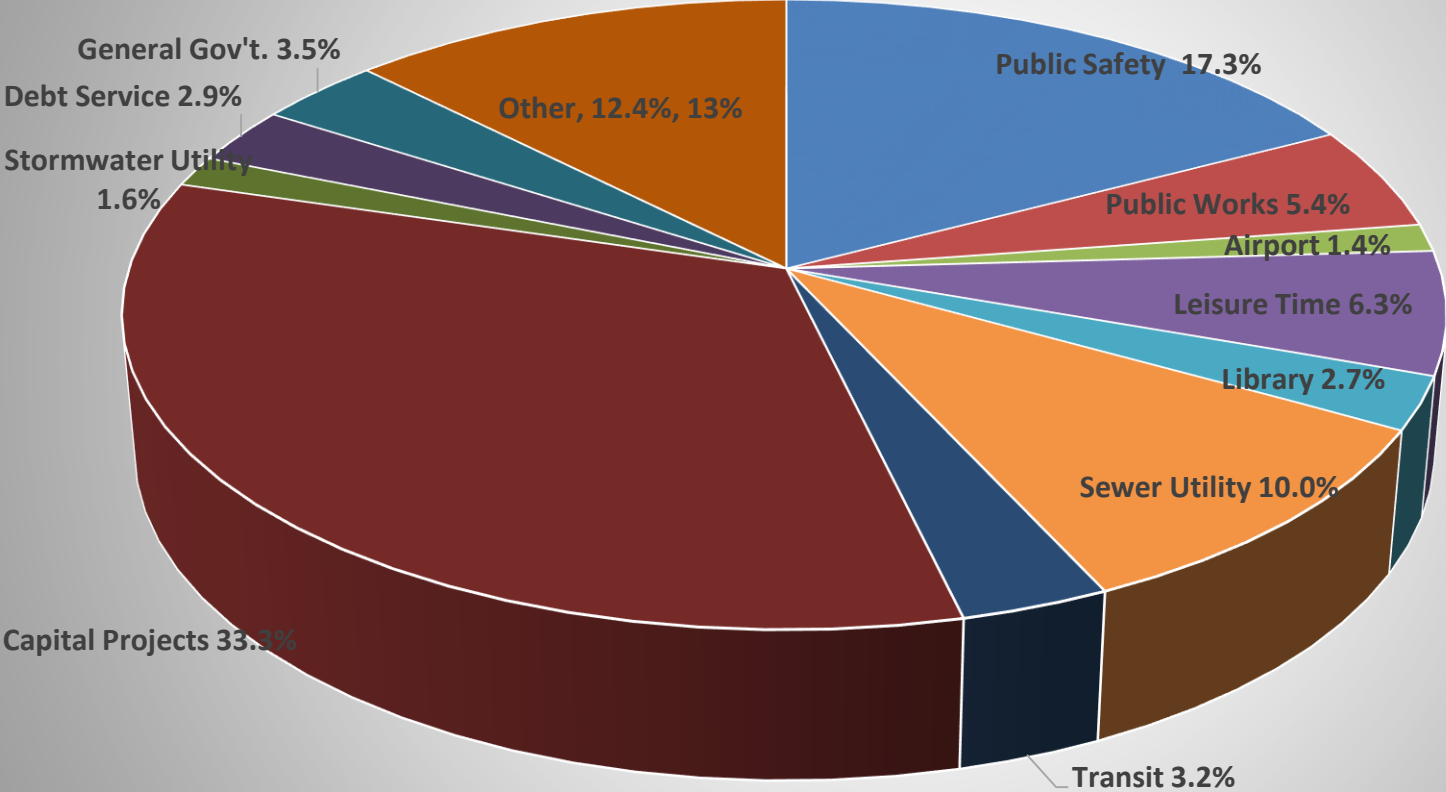
## Total Budget PROPOSED 2016



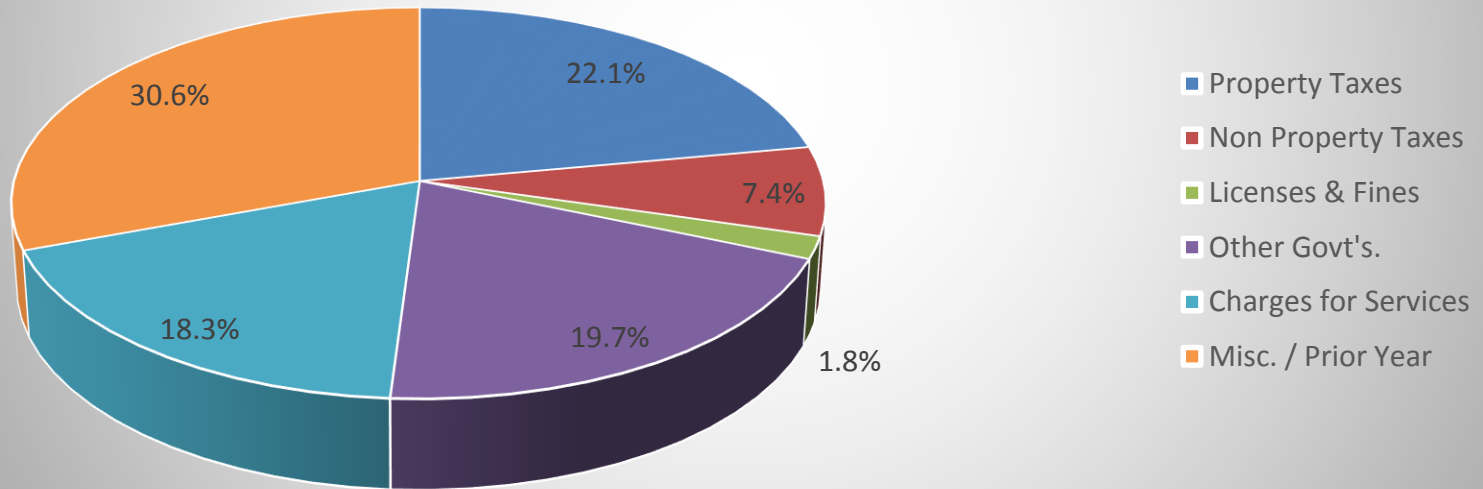
EMPLOYEE SERVICES    OTHER CURRENT    CAPITAL OUTLAY  
CAPITAL IMPROVEMENT    DEBT SERVICE

# APPLICATION BY FUNCTION

## WITHOUT CIP PROJECTS ALLOCATED PROPOSED 2016



# REVENUE SOURCES PROPOSED 2016 TOTAL BUDGET



# 2016 PROPOSED BUDGET ANALYSIS OF MAJOR REVENUES

	2015 Adopted Budget	2016 Proposed Budget	Increase/(Decrease)
<b>Tax Levy &amp; Tax Abatements</b>	53,500,000	57,242,383	3,742,383
<b>Local Government Aid</b>	7,148,299	7,190,914	42,615
<b>Hotel/Motel Tax</b>	4,400,000	4,650,000	250,000
<b>Cable TV Franchise Fee</b>	1,400,000	1,400,000	0
<b>Inspection Permits</b>	2,751,608	3,380,000	628,392
<b>In Lieu of Tax</b>	11,468,410	11,700,718	232,308
<b>Sewer Utility Charge</b>	21,000,000	23,000,000	2,000,000
<b>Storm Water Utility Fee</b>	5,018,685	5,530,000	511,315
<b>Library Fund</b>			
City Share-Levy	5,740,271	5,930,094	189,823
County Share	861,399	906,895	45,496
<b>Municipal Recreation Fund</b>			
Fee Revenues	3,855,920	3,928,350	72,430
Non-Fee Revenues	6,319,450	6,626,936	307,486
<b>Mayo Civic Center</b>			
Fee Revenues	2,724,030	2,632,089	(91,941)
Non-Fee Revenues	1,168,381	1,476,696	308,315
<b>Parking Fund</b>			
Parking Fines	291,100	318,000	26,900
Parking Ramps	4,411,007	4,650,000	238,993
Street Meters	992,000	999,000	7,000
Parking Lots	418,262	421,200	2,938

## Proposed 2016 Budget Amounts compared to Essential Services

2016 Recommended Property Tax Levy	\$57,242,383
Minus property taxes allocated to Capital Improvements	<u>-\$4,470,246</u>
 Property Taxes available to fund City operating services	 <b>\$52,772,137</b>

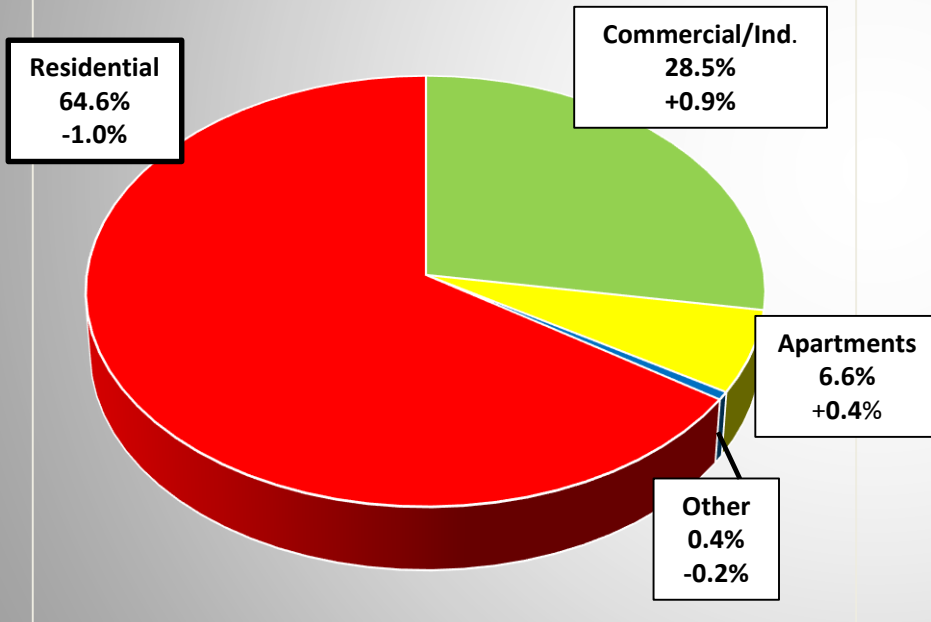
Proposed expenditures for:

	<u>2016 Operating</u>	<u>2016 Total CIP</u>	<u>CIP funded w/ tax levy \$</u>
Police Department	\$25,202,617	\$426,089	\$426,089
Fire Department	\$15,503,494	\$273,000	\$240,000
Street Maintenance	\$7,750,601	\$8,735,000	\$425,000
Traffic Management	\$1,296,811	\$2,556,250	\$130,000
Street Lighting	<u>\$1,266,008</u>	<u>\$0</u>	<u>\$0</u>
	<b>\$51,019,531</b>	<b>\$11,990,339</b>	<b>\$1,221,089</b>

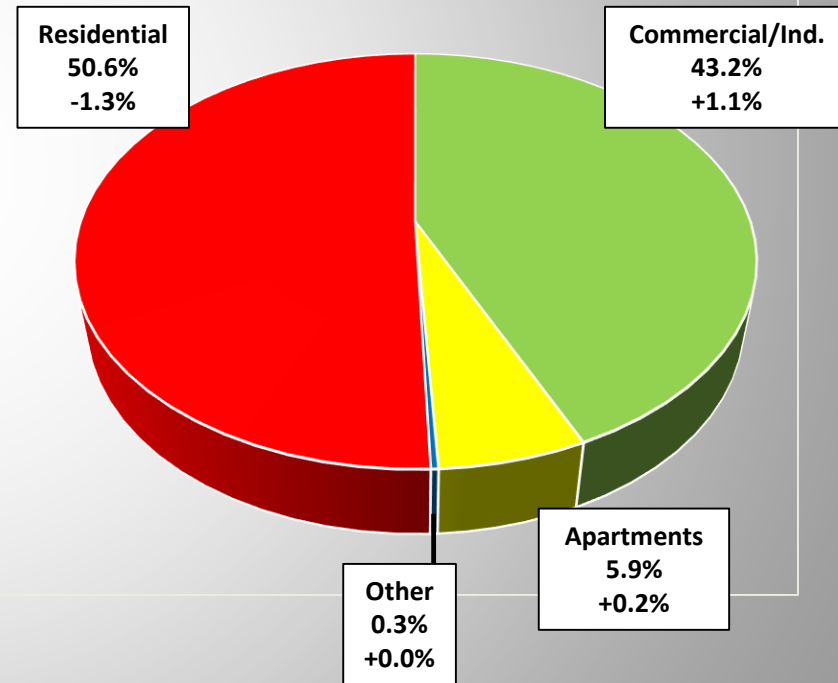
**Essential Services =96.7% of City's property tax levy allocated to Operating Budget and 27.38% of the property tax levy allocated to the CIP.**

# 2016 Tax Base By Property Class City of Rochester

## Percentage of Market Value



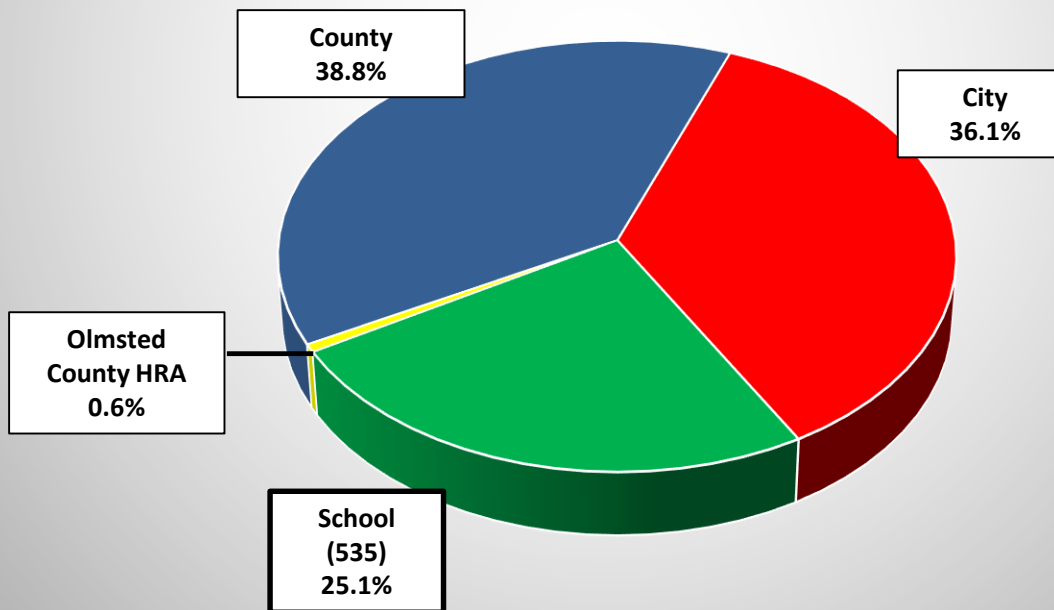
## Percentage of Tax Capacity



# Proposed 2016 Combined Tax Levy City of Rochester

Average  
Residential  
Home

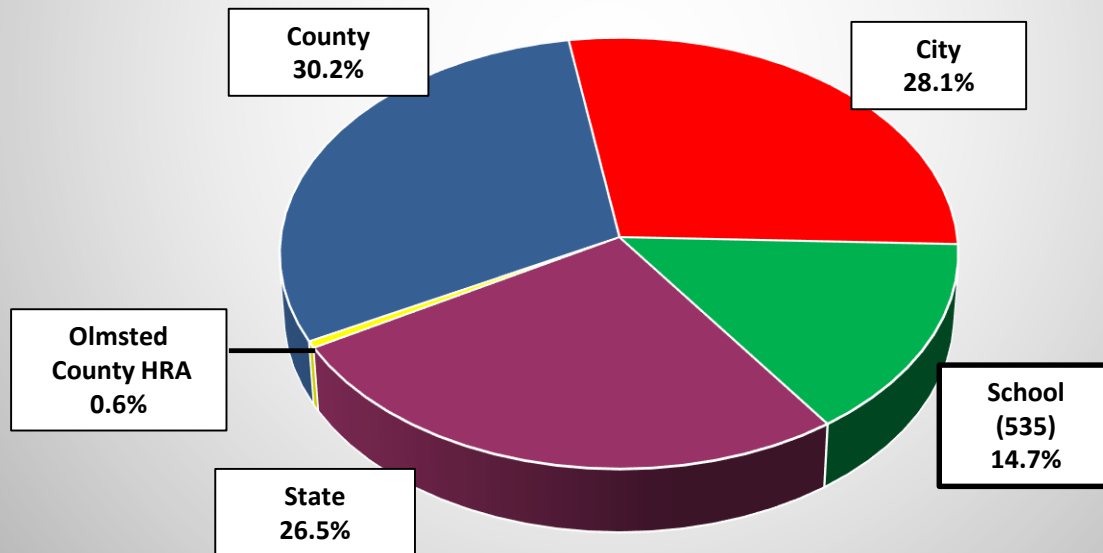
## Share of Total Property Tax Bill



# Proposed 2016 Combined Tax Levy City of Rochester

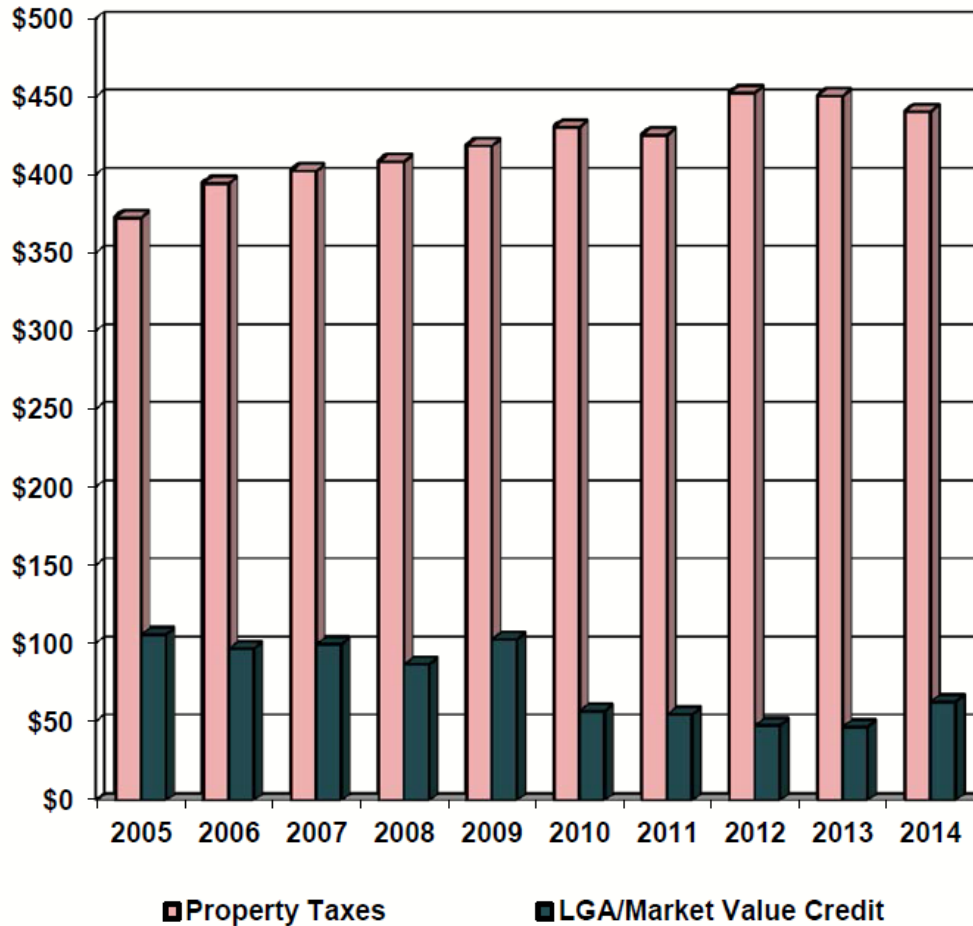
Commercial /  
Industrial  
Property

## Share of Total Property Tax Bill



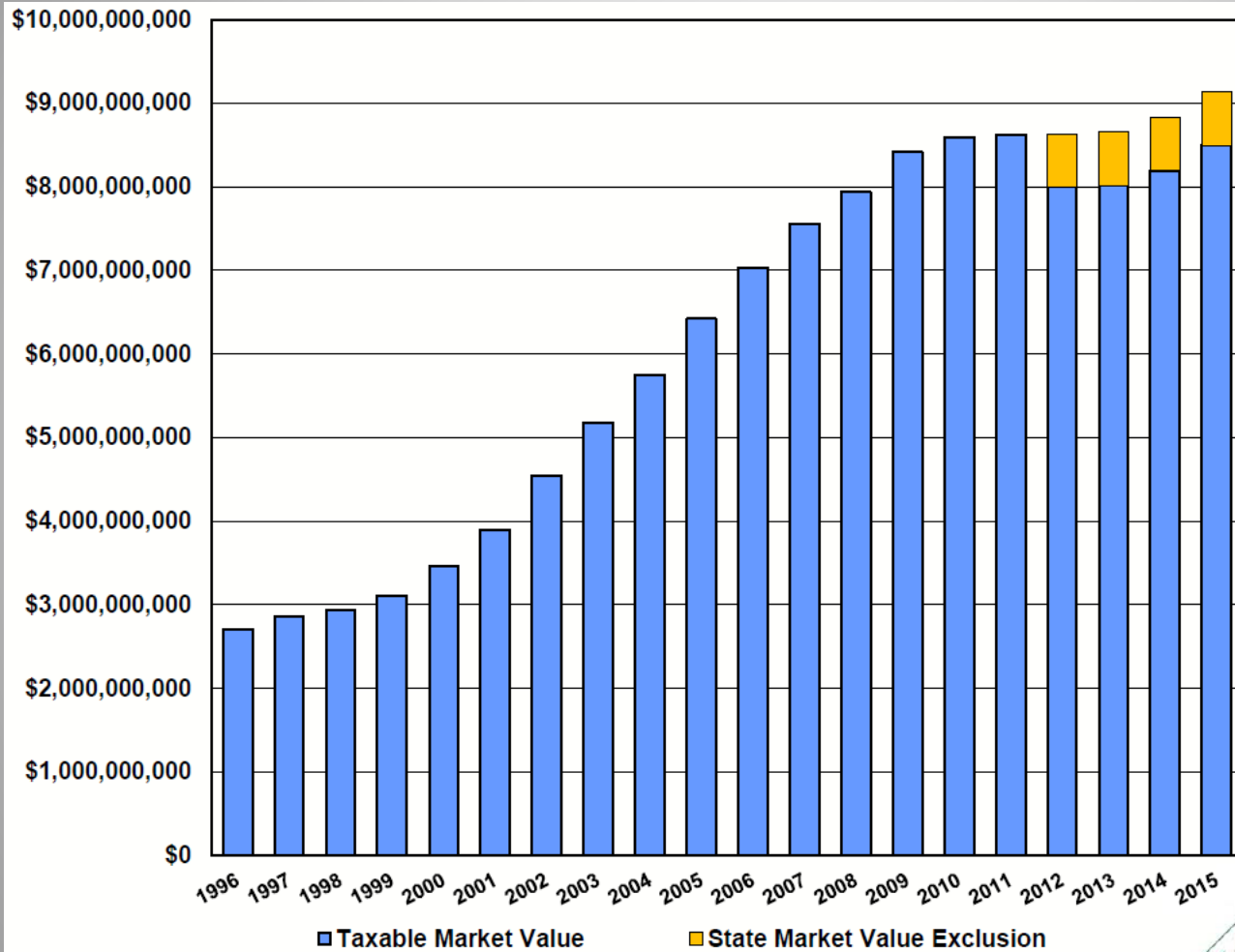
Note: Commercial & Industrial properties began paying a State property tax in 2002

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



- **Per Capita Property Taxes  
(Excluding Market Value Credit)**
  - 2005 \$373
  - 2009 419
  - 2014 441
- **Per Capita LGA/Market Value Credit**
  - 2005 \$106
  - 2009 103
  - 2014 63
- **Per Capita Total of Property Taxes, LGA/Market Value Credit**
  - 2005 \$479
  - 2009 522
  - 2014 504
- **Population**
  - 2005 97,191
  - 2009 104,578
  - 2014 111,187

# Estimated Market Value



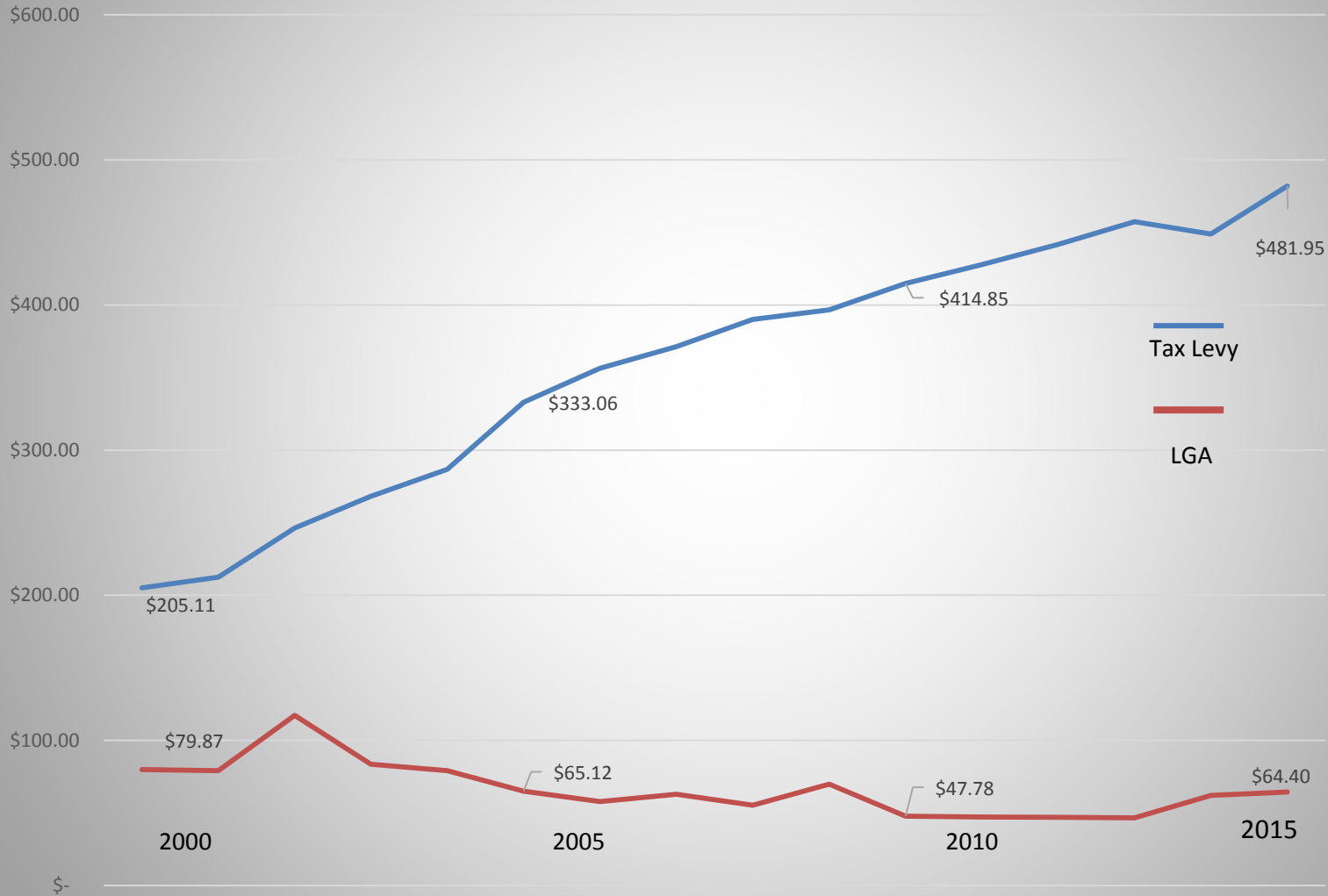
- Taxable Market Value for 2014 is **\$8.5 Billion**, up **\$300 Million (3.6%)** from 2013
- Includes both real property and personal property

smithschafer.com

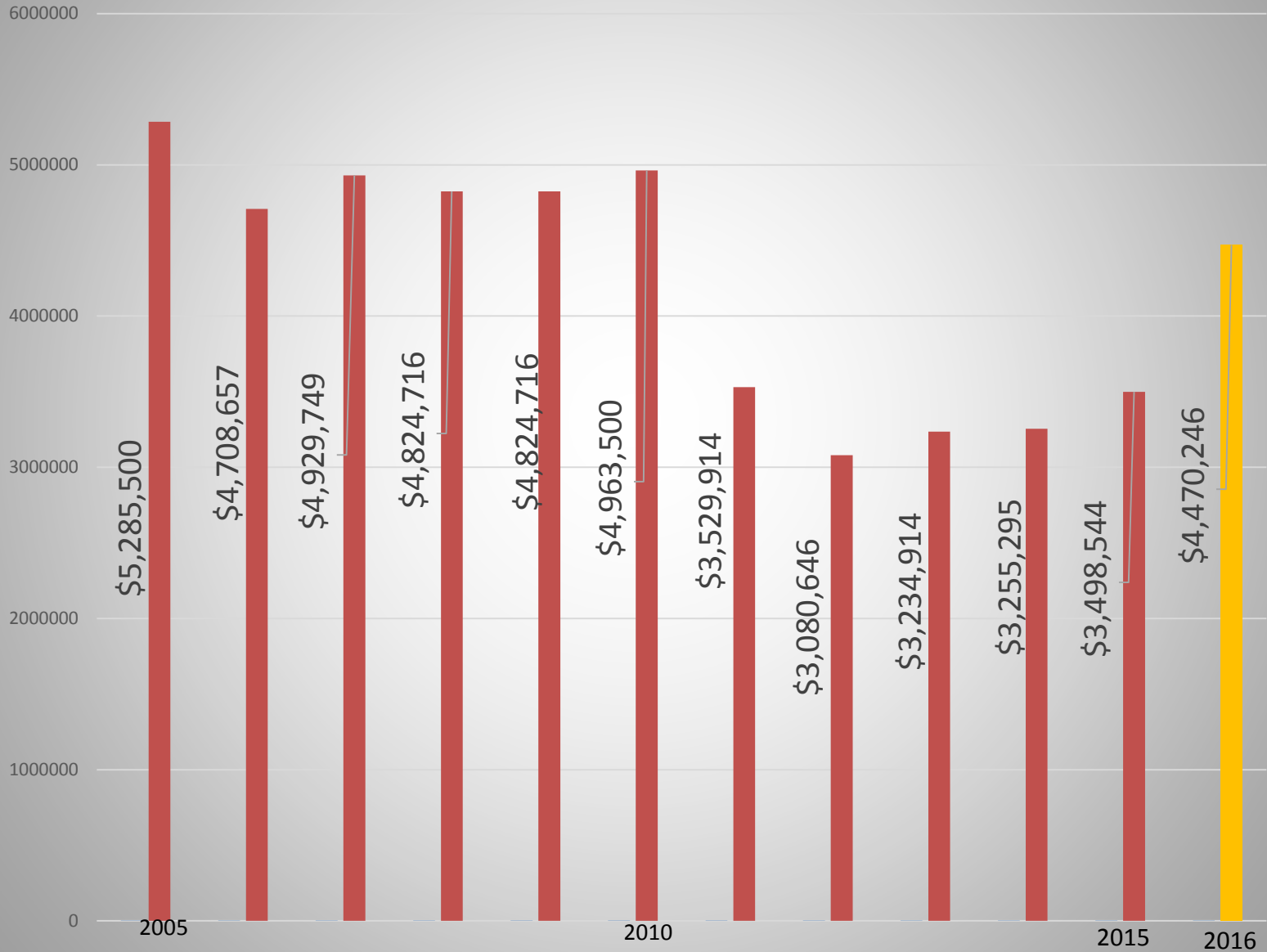
**SMITH•SCHAFER**  
 & ASSOCIATES, L.T.D.  
 Certified Public Accountants and Consultants

# 2000-2015 comparison of Property Tax levy vs. LGA / person

Chart Title

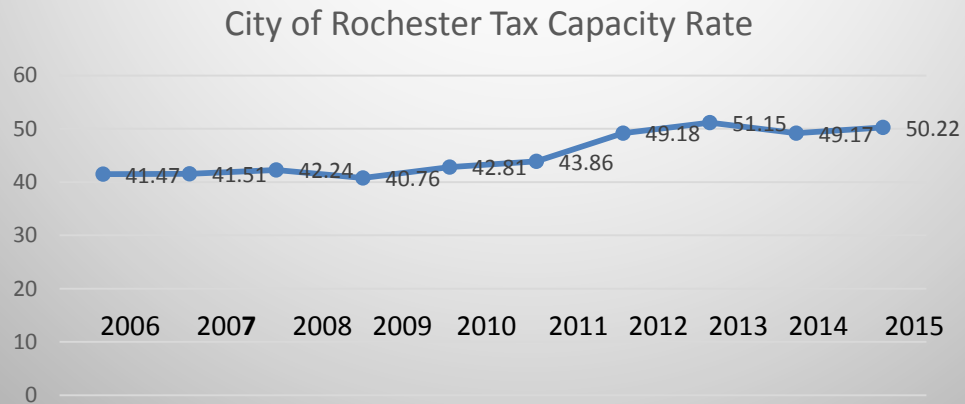


# Amount of Property Tax Levy (including abatement) attributable to Capital Improvement Project Budget from 2005 - 2016



# City of Rochester Property Tax Rates since 2006

Year	City of Rochester Tax Capacity Rate
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
2015	50.22



**Comparison of Rochester 2015 Tax Rate to Other MN Cities**  
 (based upon 2015 LMC Property Tax Report Data)

<b>City</b>	<b>2015 City Property Tax Rate</b>	<b>2015 LGA / Capita Comparison</b>		<b>LGA as % of Tax Levy</b>
Minneapolis	66.33	\$	188.17	28.3%
St. Paul	43.83	\$	206.54	59.7%
Duluth	32.51	\$	338.13	145.4%
Winona	36.60	\$	354.56	152.6%
Austin	40.89	\$	318.19	184.0%
Moorhead	38.57	\$	172.76	73.7%
Mankato	44.07	\$	167.80	45.7%
St. Cloud	47.20	\$	179.58	59.1%
<b>Rochester</b>	<b>49.97</b>	<b>\$</b>	<b>64.39</b>	<b>13.4%</b>
Albert Lea	63.22	\$	290.90	87.6%
Owatonna	58.77	\$	157.94	40.2%

**2015 Comparison of City Tax Rates to Area Cities**

Stewartville	58.77	\$	142.47	41.2%
Kasson	81.06	\$	164.62	40.0%
Byron	64.39	\$	52.04	10.5%
Eyota	57.94	\$	247.45	90.4%
Chatfield	89.27	\$	270.53	57.8%
Dover	57.74	\$	176.93	60.8%
Dodge Center	93.47	\$	254.44	51.7%
Pine Island	73.54	\$	175.41	36.4%

# City Employee / Thousand Population Data Comparison

<b>YEAR</b>	<b>NO. CITY EMPLOYEES</b>	<b>ESTIMATED CITY POPULATION</b>	<b>CITY EMPLOYEES / 1000 POPULATION</b>	<b>CITY EMPLOYEES / 1000 POPULATION</b>
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
2015	668.16	111,402	5.99	5.99

## Top 10 Taxpayers – City of Rochester

<b>Taxpayer</b>	<b>Taxable Market Value</b>	<b>Tax Capacity</b>	<b>% Total City Net Tax Capacity</b>
<b>Mayo</b>	\$505,660,700	\$10,015,855	9.34%
<b>MEPC / Apache Properties</b>	\$58,275,800	\$1,163,266	1.08%
<b>IBM</b>	\$47,411,400	\$929,982	0.87%
<b>Kan 20 2nd Ave LLC.</b>	\$26,357,200	\$526,394	0.49%
<b>Maine Land, LLC.</b>	\$24,392,300	\$482,596	0.45%
<b>MN Energy Resources</b>	\$21,600,200	\$431,978	0.40%
<b>Mar 1st Ave SW LLC.</b>	\$19,311,300	\$385,476	0.36%
<b>City of Rochester</b>	\$18,970,800	\$377,571	0.35%
<b>Mills Properties Inc.</b>	\$16,685,200	\$300,552	0.28%
<b>Rochester Development Inc.</b>	\$23,674,000	\$330,262	0.28%

# City of Rochester 2016 Proposed Budget Meeting



December 7, 2015