

City of Rochester
Minnesota



Public Hearing
Presentation

Proposed 2012 Budget
for the
City of Rochester

December 5, 2011

2012 Recommended Budget

Photo credit:
Star Tribune Minneapolis-St. Paul 2011

CITY OF ROCHESTER
2012 PROPOSED BUDGET SUMMARY

December 5, 2011, 7:00 p.m., City Council Chambers

- **Initial Public Hearing on 2012 Proposed Budget**

December 5, 2011, 2:00 p.m., Room 104, City Hall

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

December 6, 2011, 2:00 p.m., Room 104, City Hall

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

December 7, 2011, 2:00 p.m., Room 104, City Hall

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

December 19, 2011, 7:00 p.m., City Council Chambers

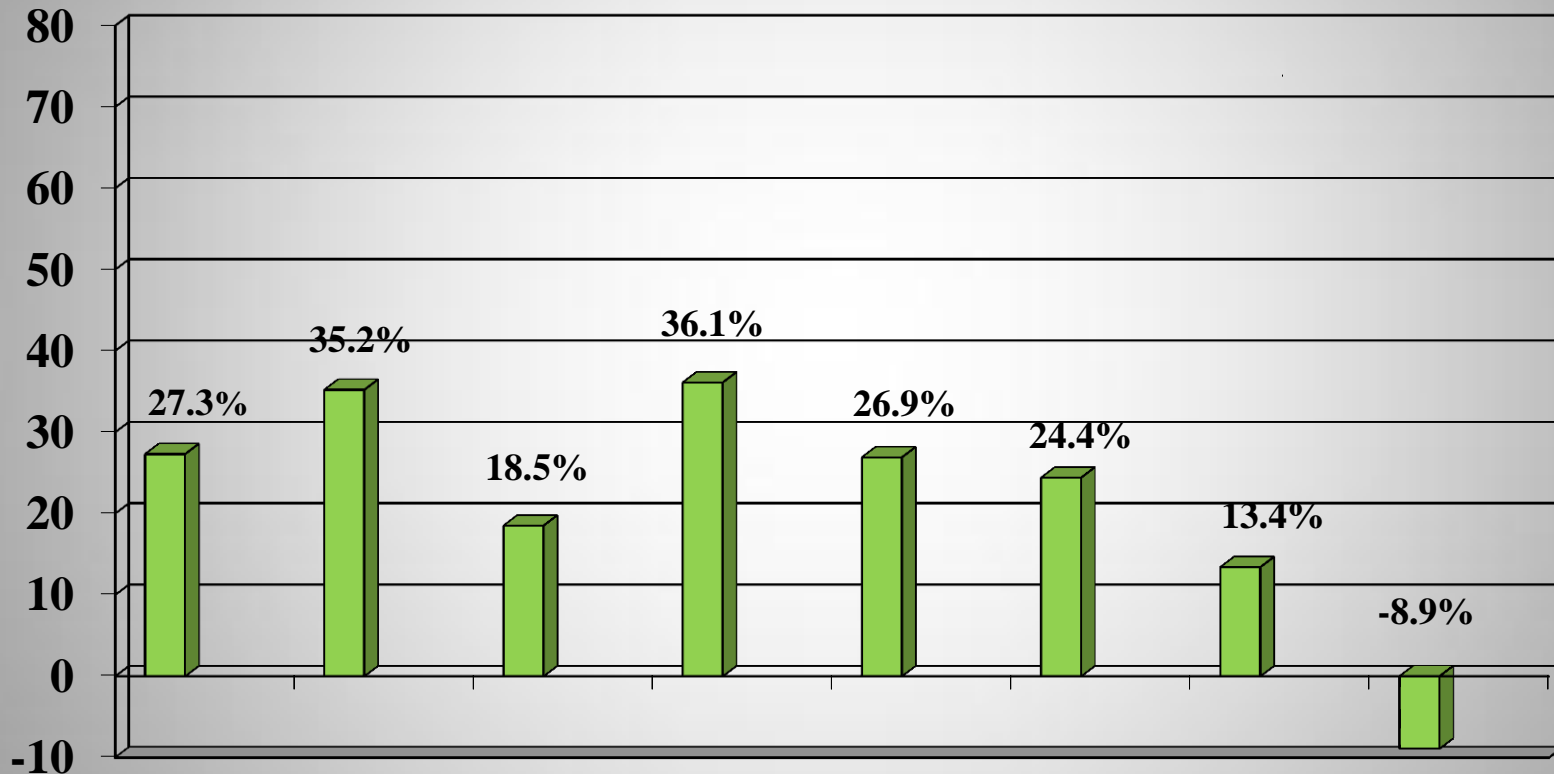
- **Adoption Public Hearing for 2012 Budget**

CITY OF ROCHESTER

Physical Trend Data

Ten Year Trend

2000 Actual compared to 2010 Actual



-----Miles-----

Streets

Sanitary

Storm

Sewer

Sewer

Park
Acres

City
Area

Pop.

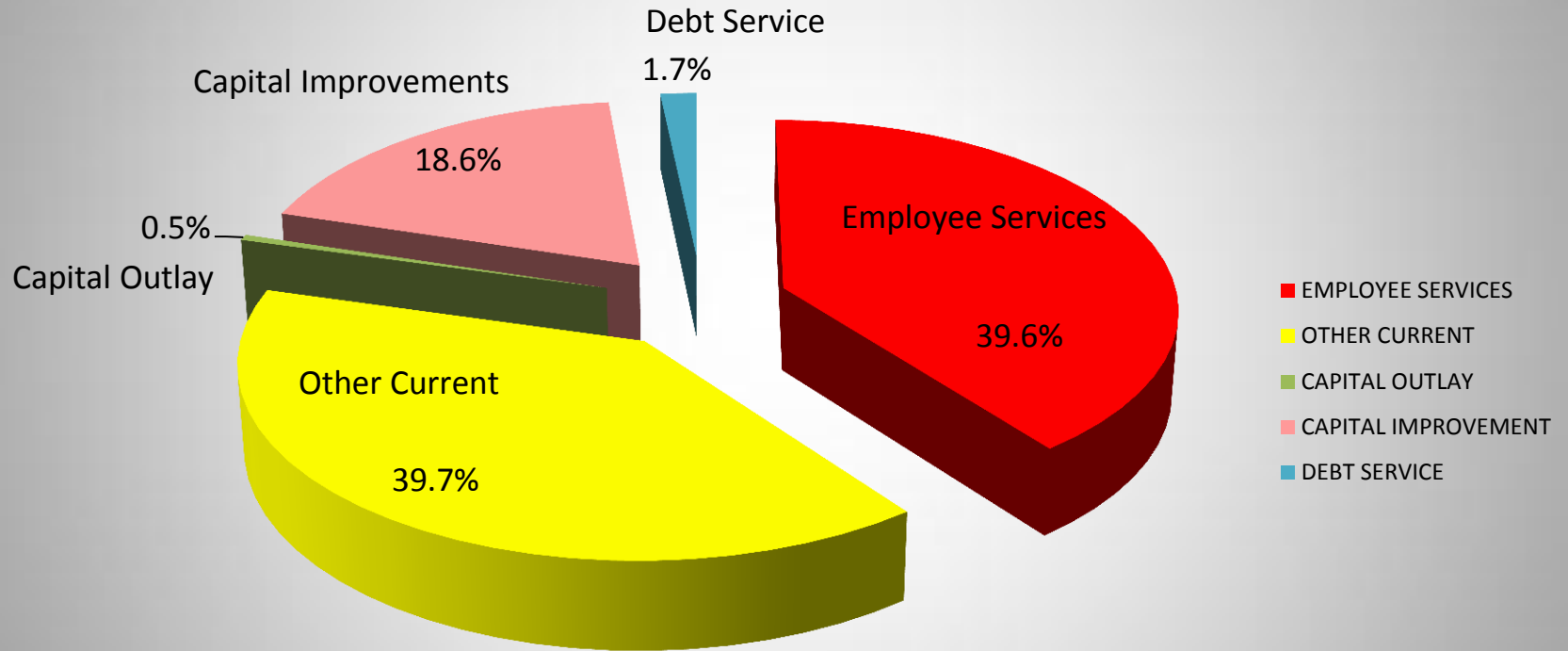
-----City Employment-----

of
Employees

Per
1,000
Pop.

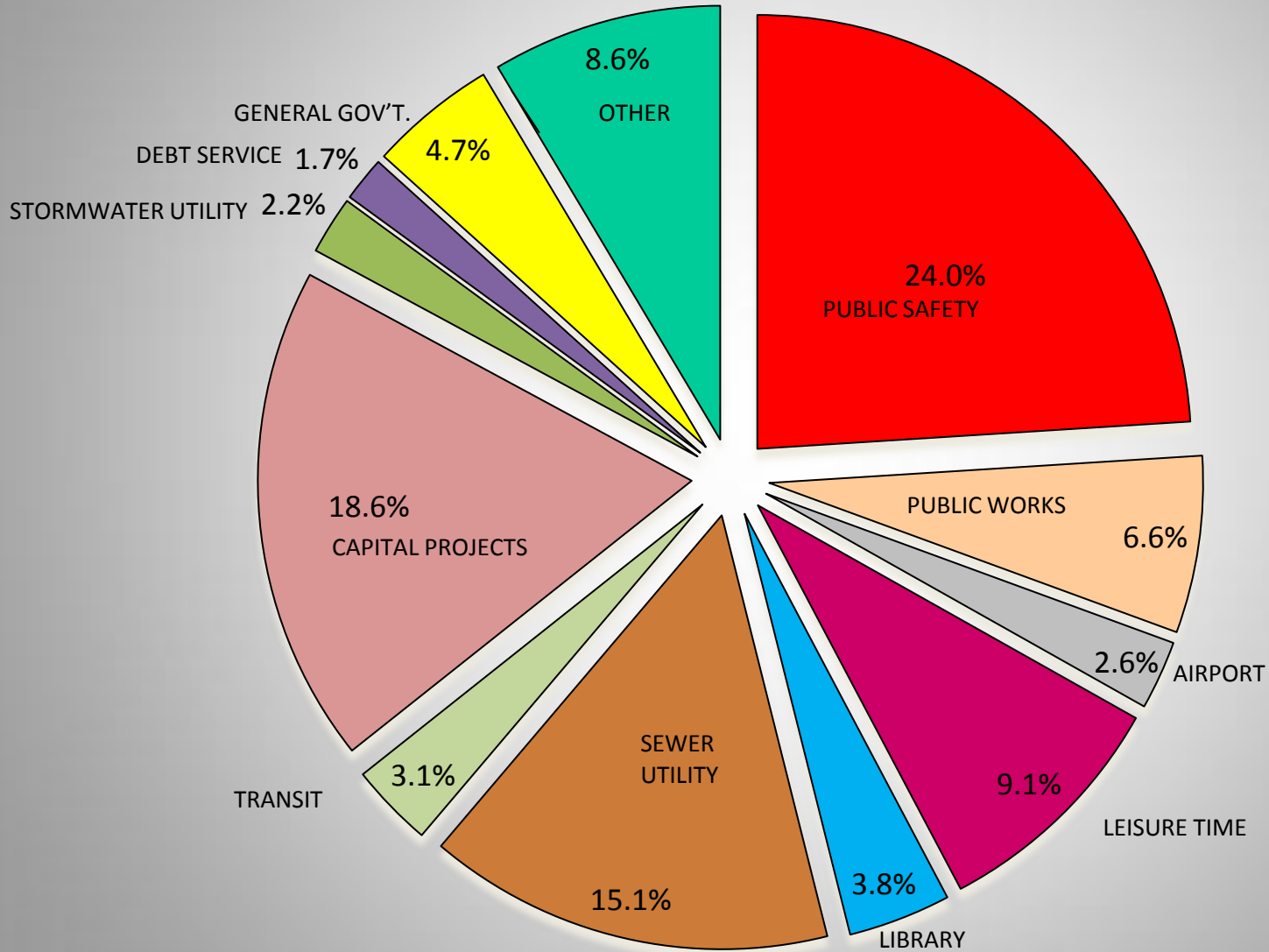
APPLICATION BY CHARACTER

Total Budget PROPOSED 2012

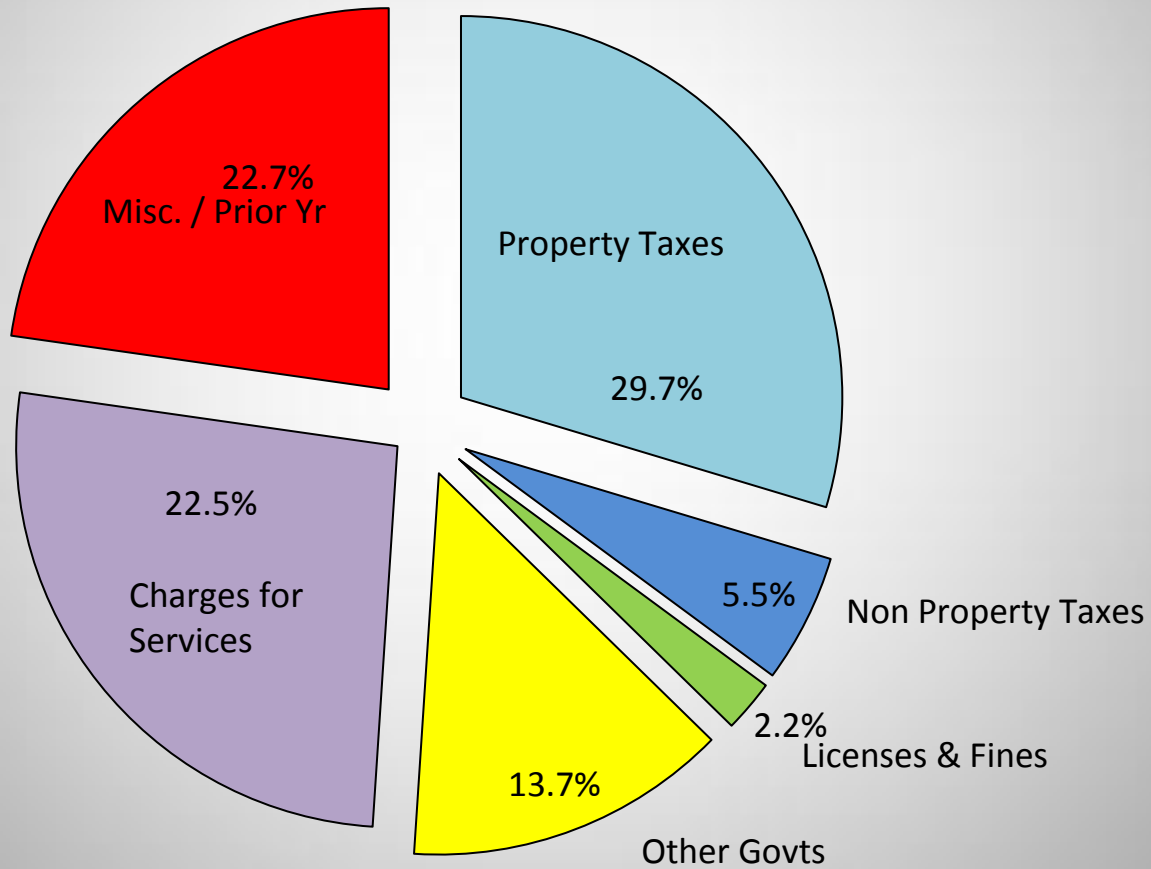


APPLICATION BY FUNCTION

WITHOUT CIP PROJECTS ALLOCATED PROPOSED 2012



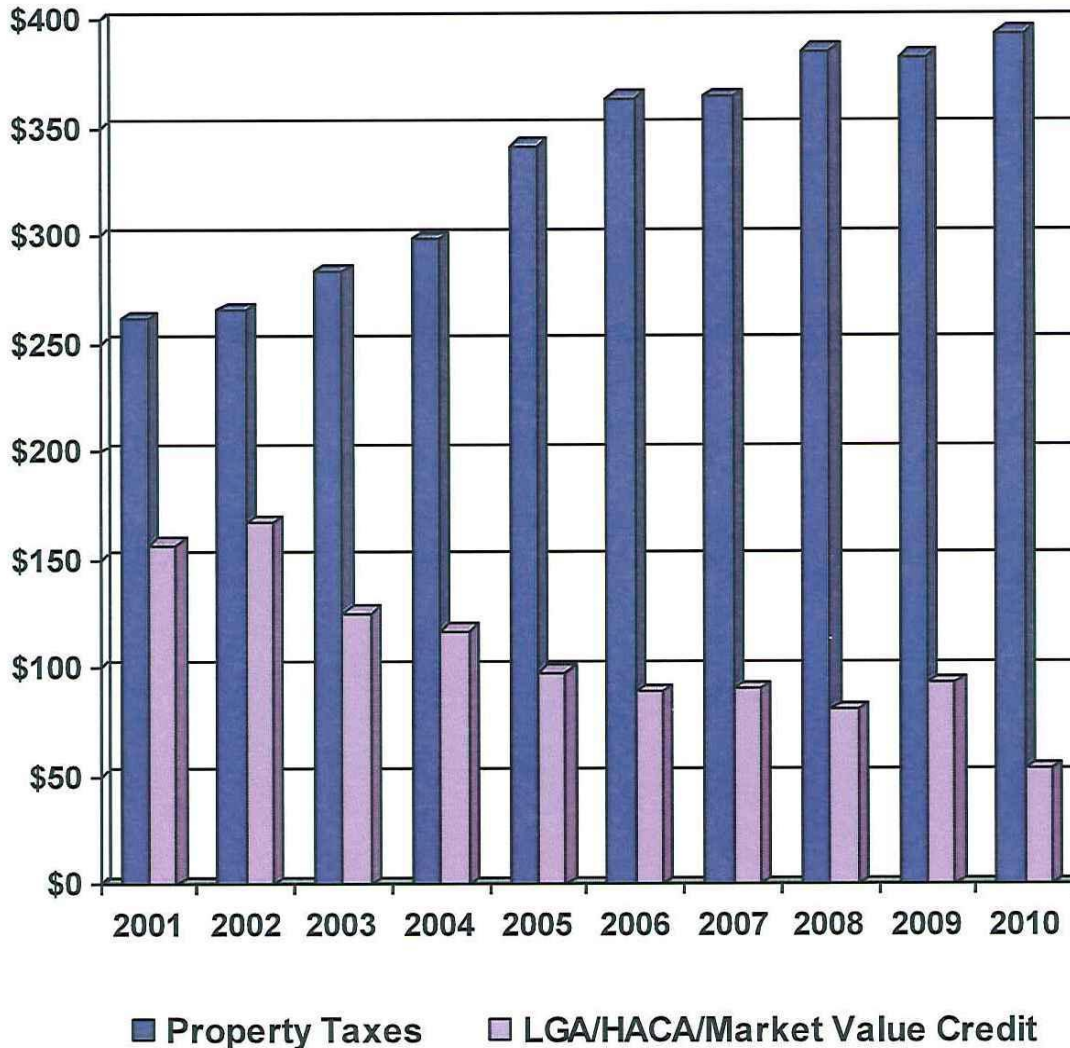
REVENUE SOURCES PROPOSED 2012 TOTAL BUDGET



2012 PROPOSED BUDGET
ANALYSIS OF MAJOR REVENUES

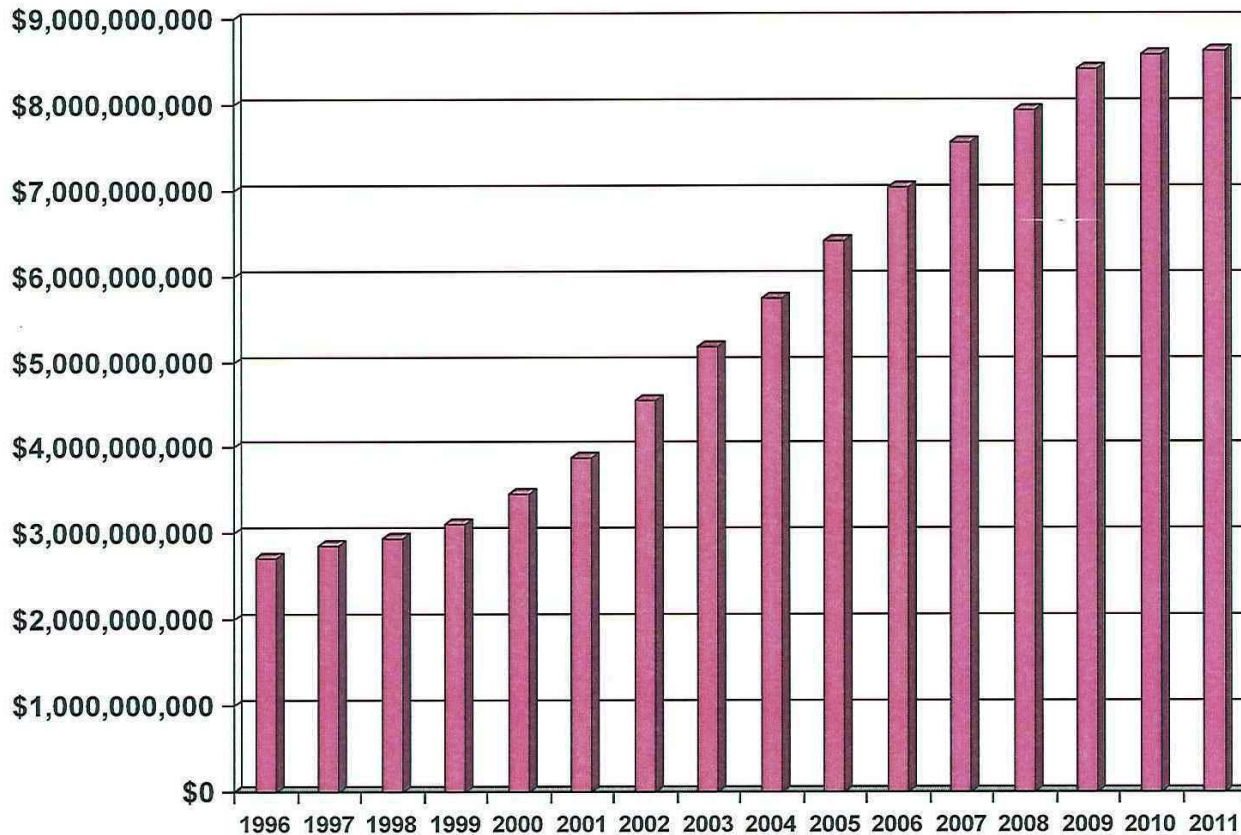
	2012 Proposed Budget	2011 Budget	Increase/(Decrease)
Tax Levy & Tax Abatements	47,950,000	45,832,300	2,117,700
Local Government Aid	5,101,571	5,101,571	-0-
Hotel/Motel Tax	3,575,000	3,500,000	75,000
Cable TV Franchise Fee	1,325,000	1,275,000	50,000
Inspection Permits	2,050,000	2,020,000	30,000
In Lieu of Tax	10,917,423	10,845,623	72,800
Sewer Utility Charge	18,669,888	17,261,577	1,408,311
Storm Water Utility Fee	5,441,783	5,014,143	427,640
Library Fund			
-City Share	5,164,406	4,893,321	271,085
-County Share	855,572	948,696	(92,944)
Municipal Recreation Fund			
-Fee Revenues	7,218,556	7,376,732	(158,176)
-Non-Fee Revenues	6,251,298	6,247,228	4,070
Parking Fund			
-Parking Fines	377,298	525,000	(147,012)
-Parking Ramps	3,491,024	3,469,696	21,328
-Street Meters	749,476	853,682	(104,206)
-Parking Lots	384,354	394,323	(9,969)

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



- **Per Capita Property Taxes
(Excluding Market Value Credit)**
 - 2001 \$262
 - 2005 342
 - 2010 394
- **Per Capita LGA/HACA/Market Value Credit**
 - 2001 \$157
 - 2005 98
 - 2010 53
- **Per Capita Total of Property Taxes,
LGA/HACA/Market Value Credit**
 - 2001 \$419
 - 2005 440
 - 2010 447
- **Population**
 - 2001 88,858
 - 2005 97,191
 - 2010 106,769

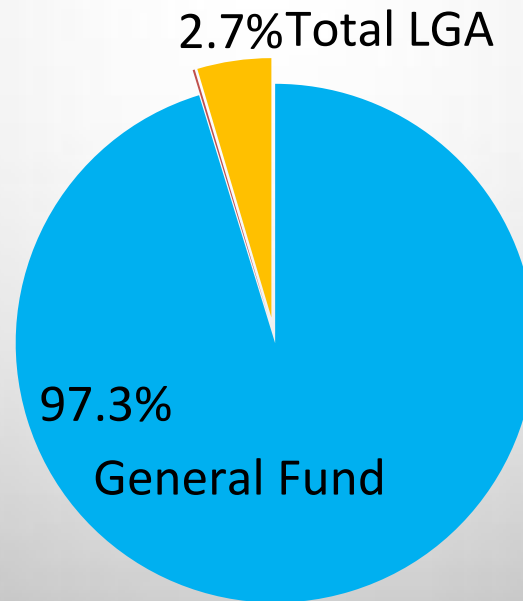
Estimated Market Value Real and Personal Property



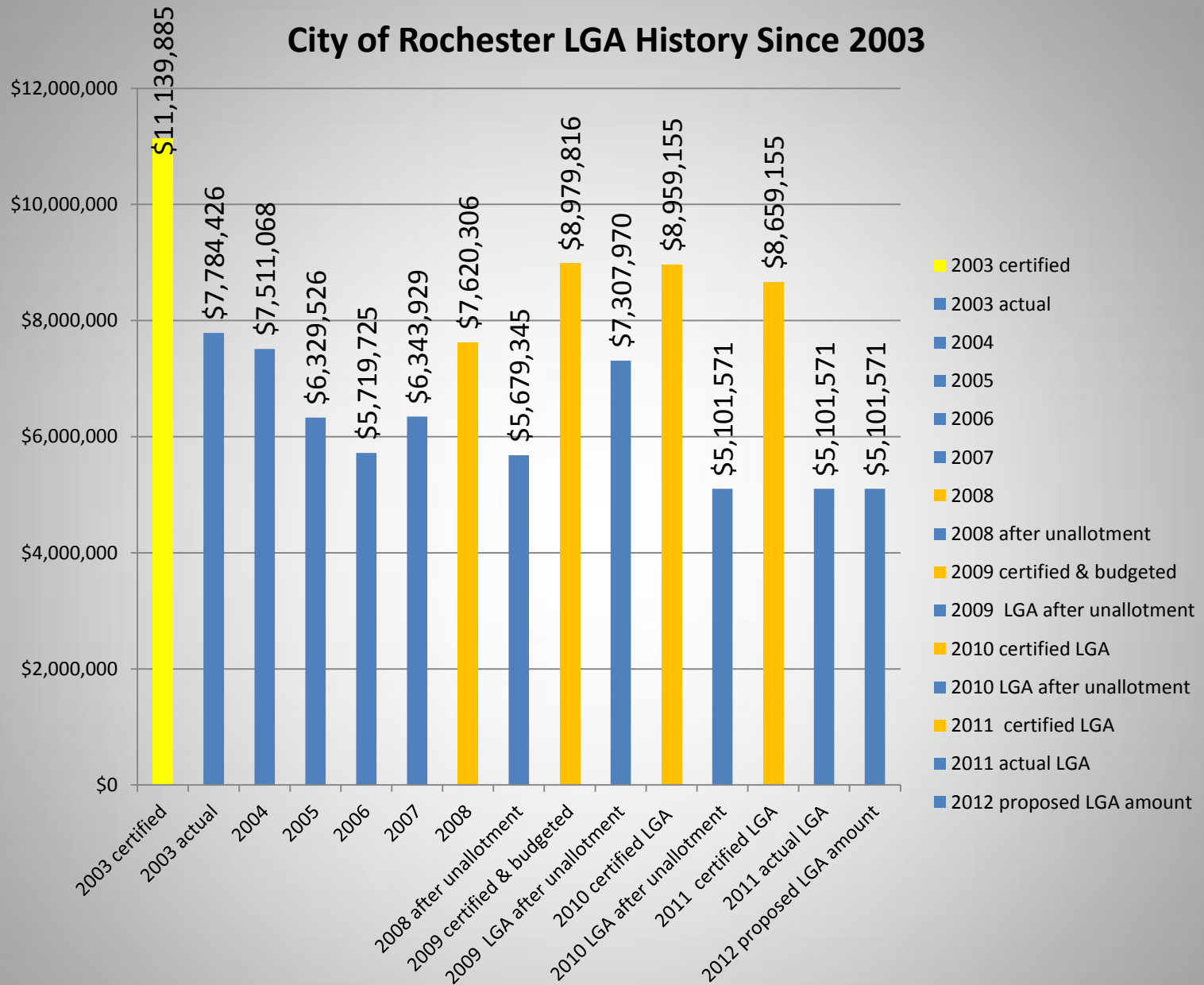
- **Estimated Market Value for 2011 is \$8.6 Billion, up \$29 Million or .34% from 2010**

LGA % of State General Fund

YEAR	LGA % of State General Fund
2002	4.4
2003	3.3
2004	3.2
2005	3
2006	3.1
2007	3
2008	2.8
2009	2.85
2010	2.9
2011	2.7

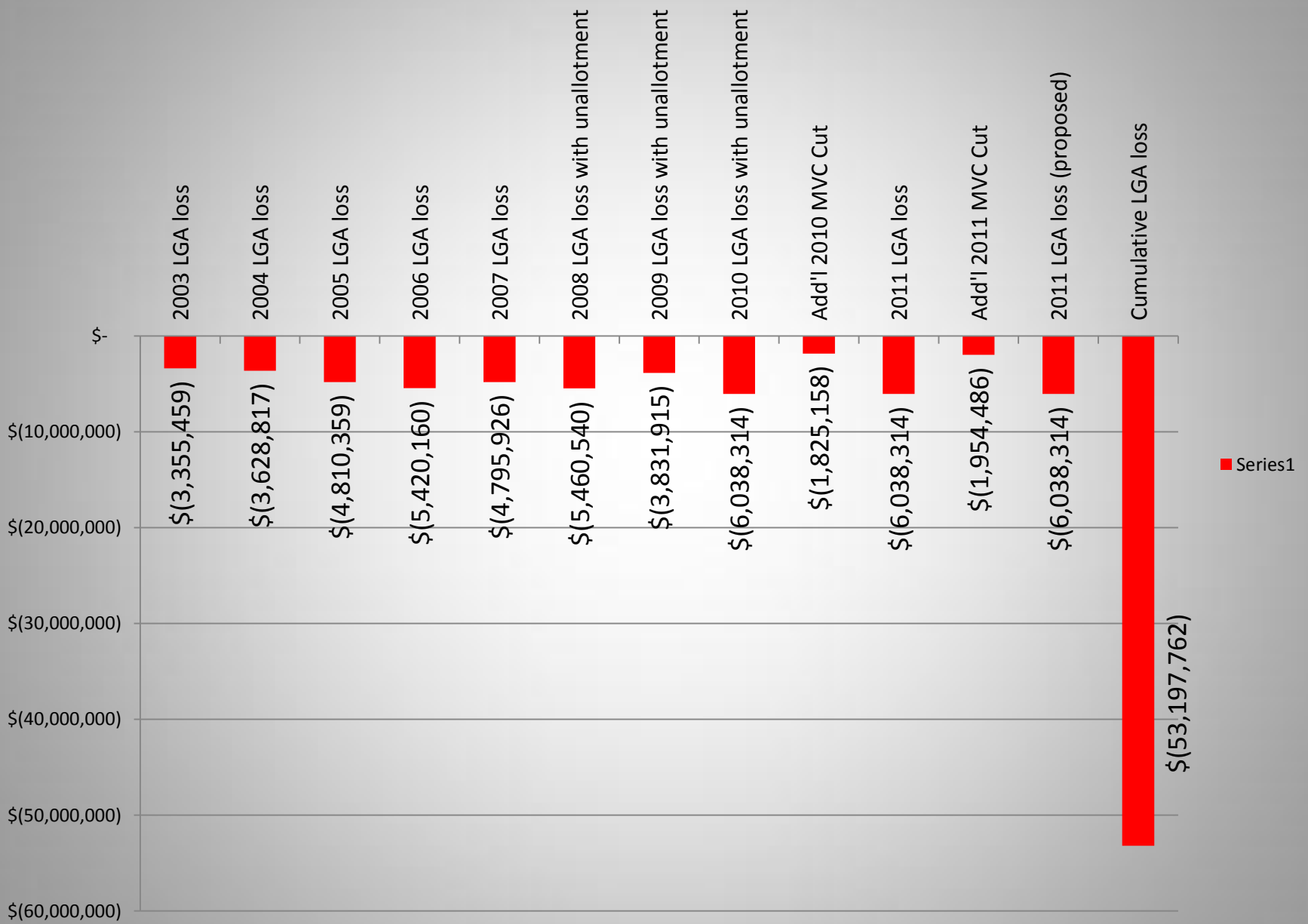


City of Rochester LGA History Since 2003

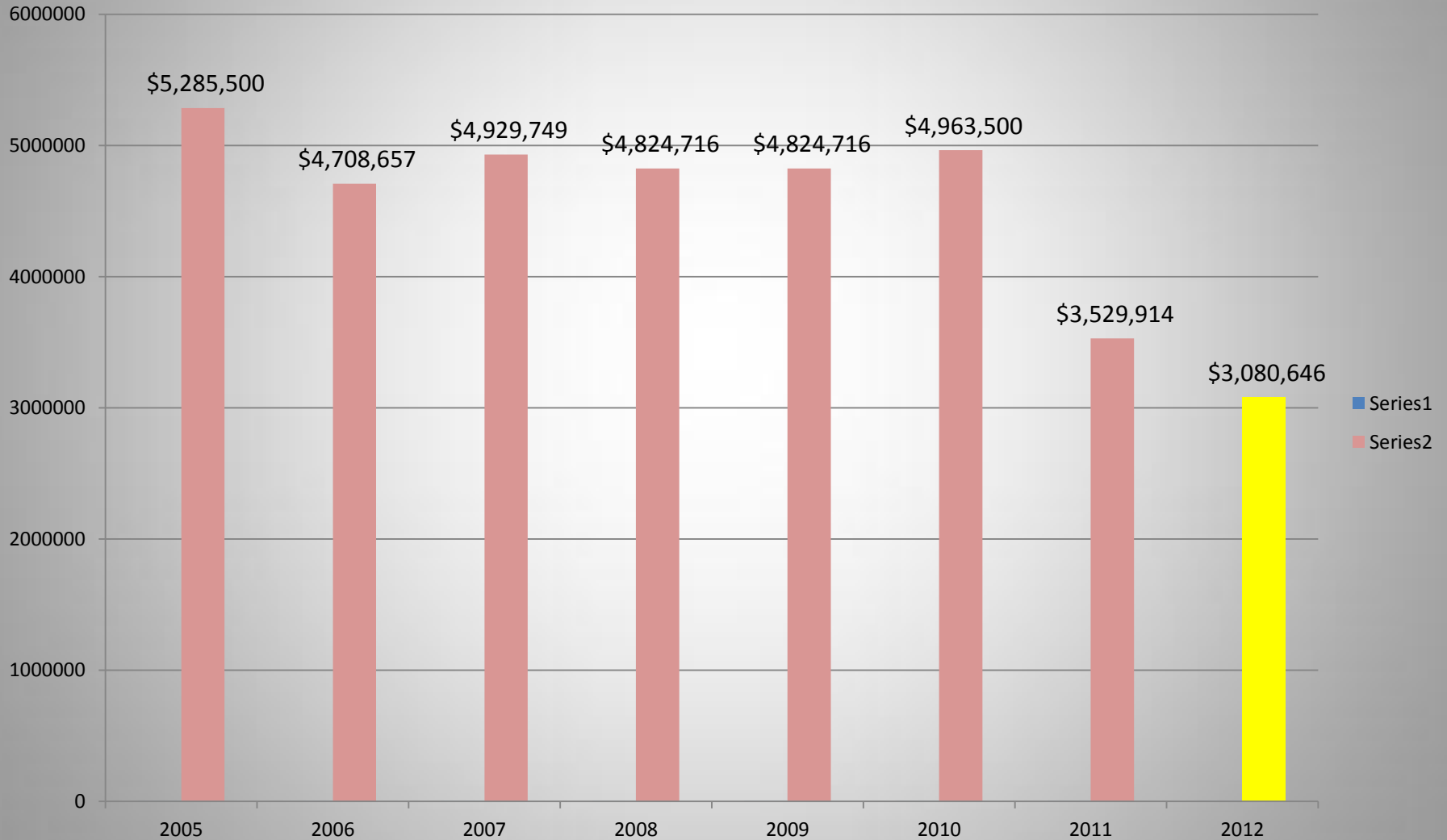


NOTE: In addition to the LGA unallotment, the City also had an additional \$1.85 of MVC unallotted in 2010, and \$1.95M Of MVC unallotted in 2011. The MVC program is eliminated for 2012 and being replaced with the Market Value Exclusion

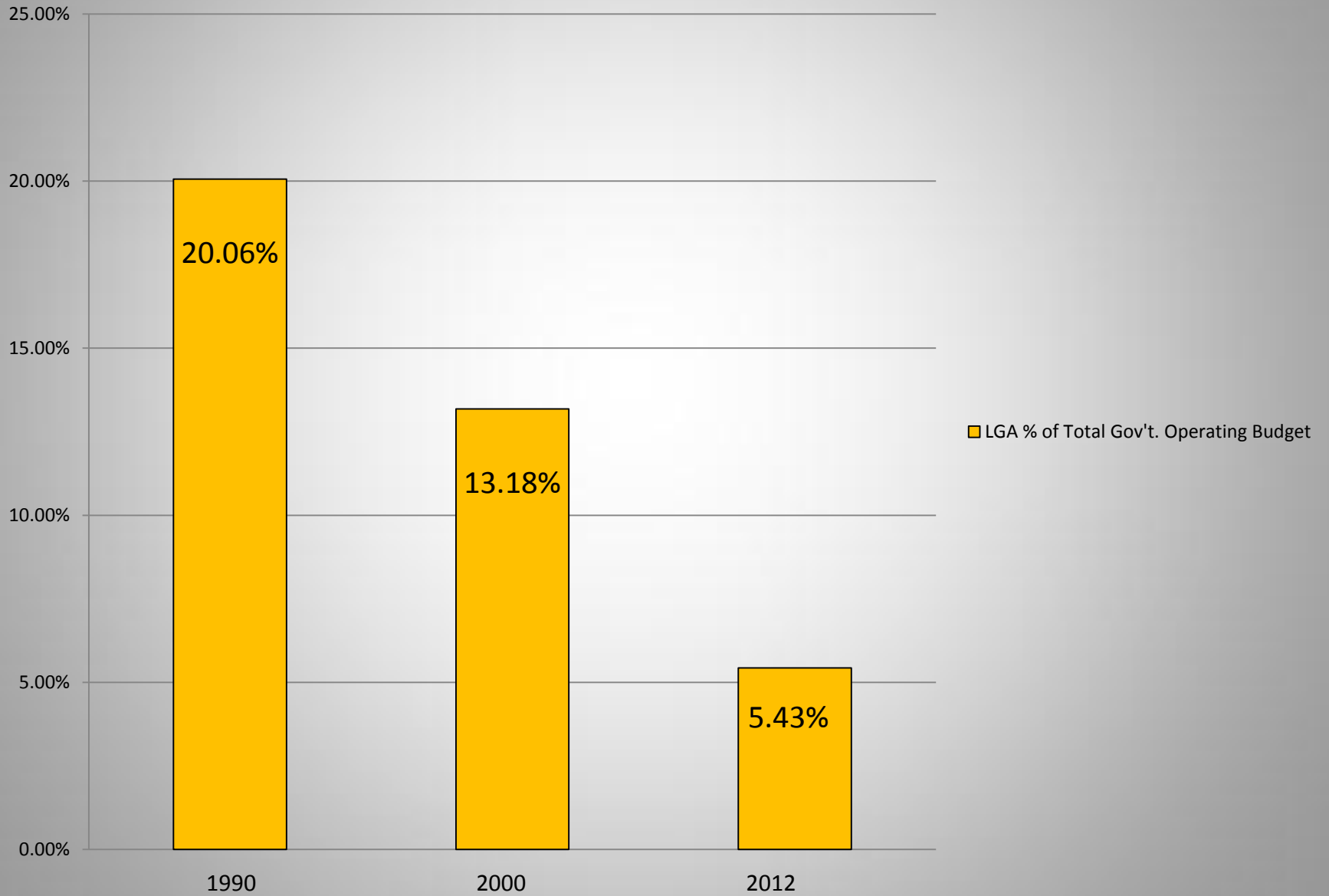
Cumulative LGA and MVC loss for City of Rochester since 2003



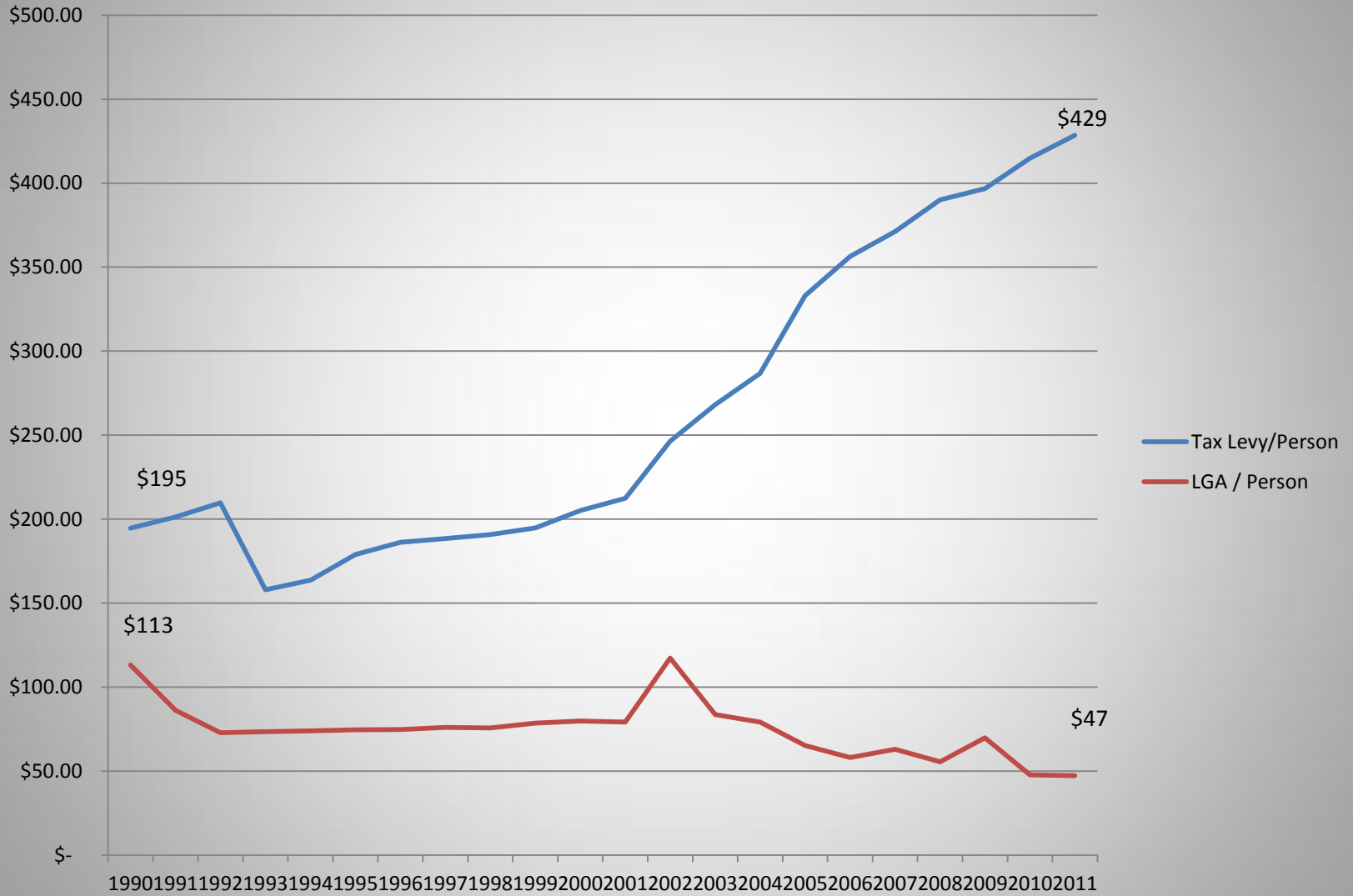
Amount of Property Tax Levy (including abatement) attributable to Capital Improvement Project Budget from 2005 - 2012



LGA as a % of City Governmental Operating Budget

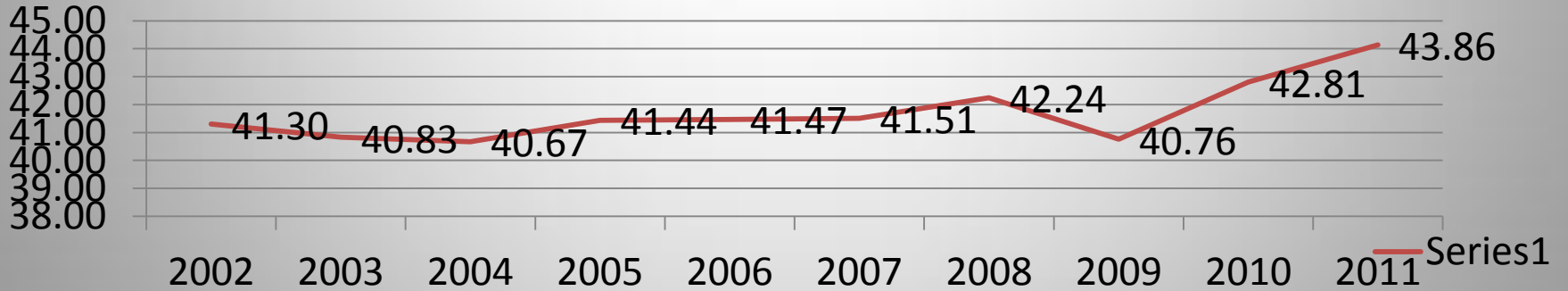


1990-2011 comparison of Property Tax levy vs. LGA / person



City of Rochester tax rates since 2002

Year	City of Rochester Tax Rate
2002	41.30
2003	40.83
2004	40.67
2005	41.44
2006	41.47
2007	41.51
2008	42.24
2009	40.76
2010	42.81
2011	43.86



Comparison of Rochester 2011 Tax Rate to Other MN Cities

City	2011 City Property Tax Rate	2011 LGA / Capita Comparison	LGA as % of Tax Levy
Minneapolis	69.50	\$ 167.65	23.9%
St. Paul	38.06	\$ 176.52	53.2%
Duluth	27.97	\$ 318.06	154.1%
Winona	33.64	\$ 327.77	143.3%
Austin	36.17	\$ 288.15	172.2%
Moorhead	32.79	\$ 178.39	89.8%
Mankato	26.52	\$ 158.45	46.3%
St. Cloud	27.35	\$ 153.11	51.2%
Rochester	43.86	\$ 47.78	11.1%
Albert Lea	49.16	\$ 295.42	90.3%
Owatonna	49.57	\$ 123.17	33.1%

2011 Comparison of City Tax Rates to Area Cities

Stewartville	49.83	\$ 101.30	33.4%
Kasson	56.18	\$ 131.54	42.0%
Byron	51.00	\$ 27.49	6.6%
Eyota	51.27	\$ 213.80	72.1%
Chatfield	44.22	\$ 240.00	58.0%
Dover	44.59	\$ 127.41	46.0%
Dodge Center	72.53	\$ 234.05	54.2%
Pine Island	45.50	\$ 152.91	29.3%

Proposed 2012 Budget Amounts for Essential Services

2012 Recommended Property Tax Levy	\$47,950,000
Minus property taxes allocated to Capital Improvements	<u>-\$3,080,646</u>

Property Taxes available to fund City service **\$44,869,354**

Proposed expenditures for:

Police Department	\$21,555,226
Fire Department	\$13,613,731
Street Maintenance	\$5,555,904
Traffic Management	\$1,228,436
Street Lighting	<u>\$1,300,110</u>

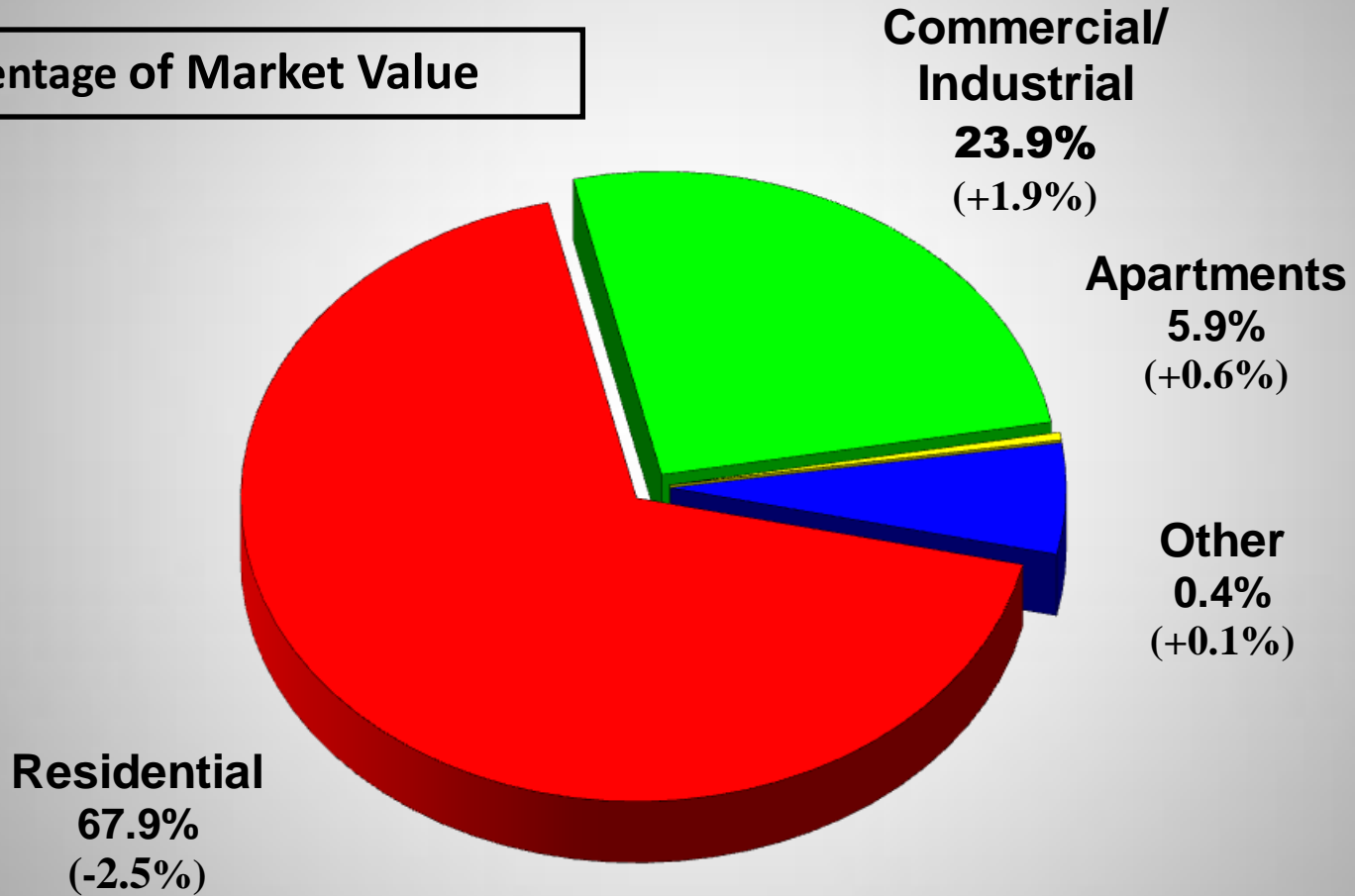
\$43,253,407

Essential Services =96.4% of City's property tax levy

2012 TAX BASE BY PROPERTY CLASS

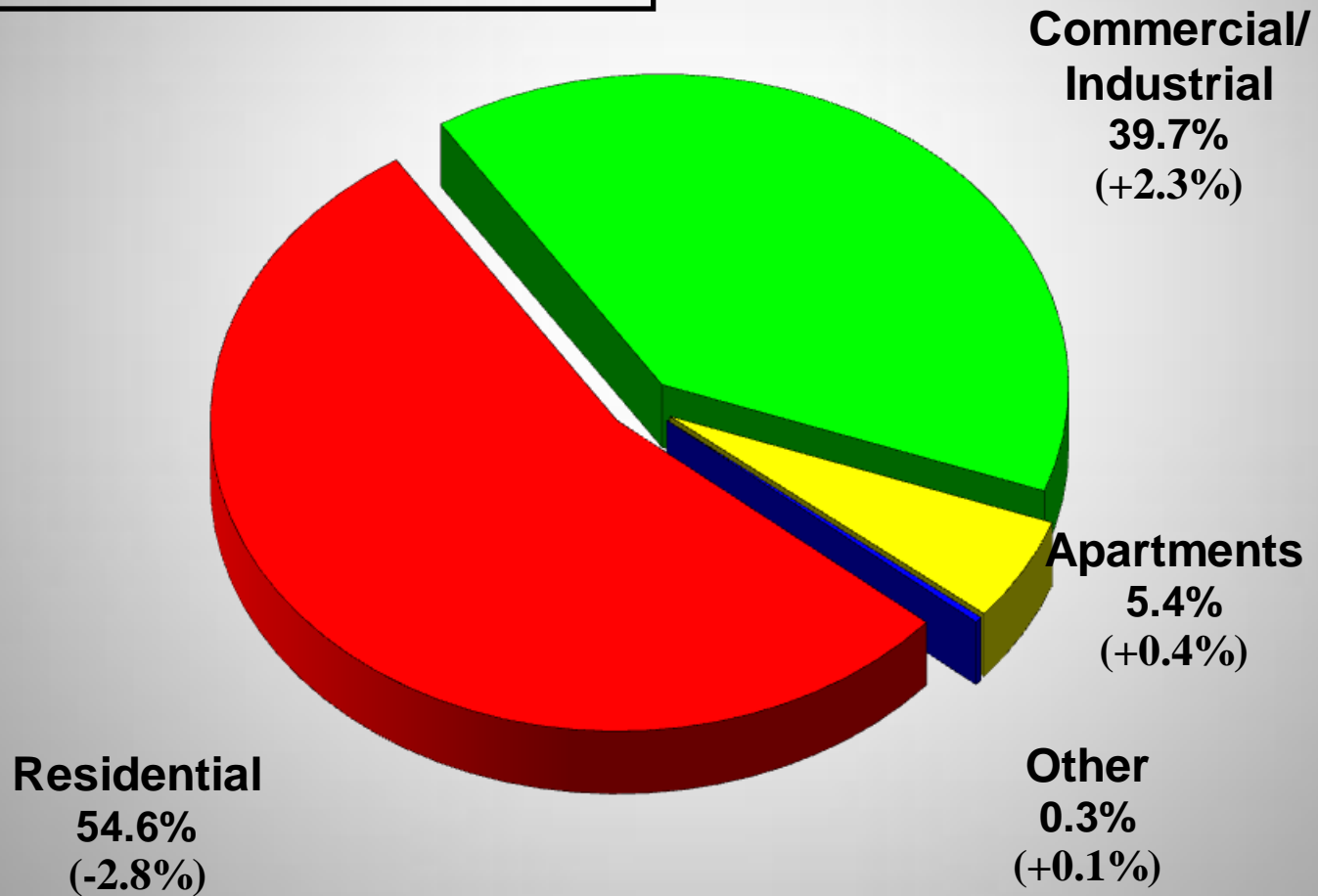
CITY OF ROCHESTER

Percentage of Market Value



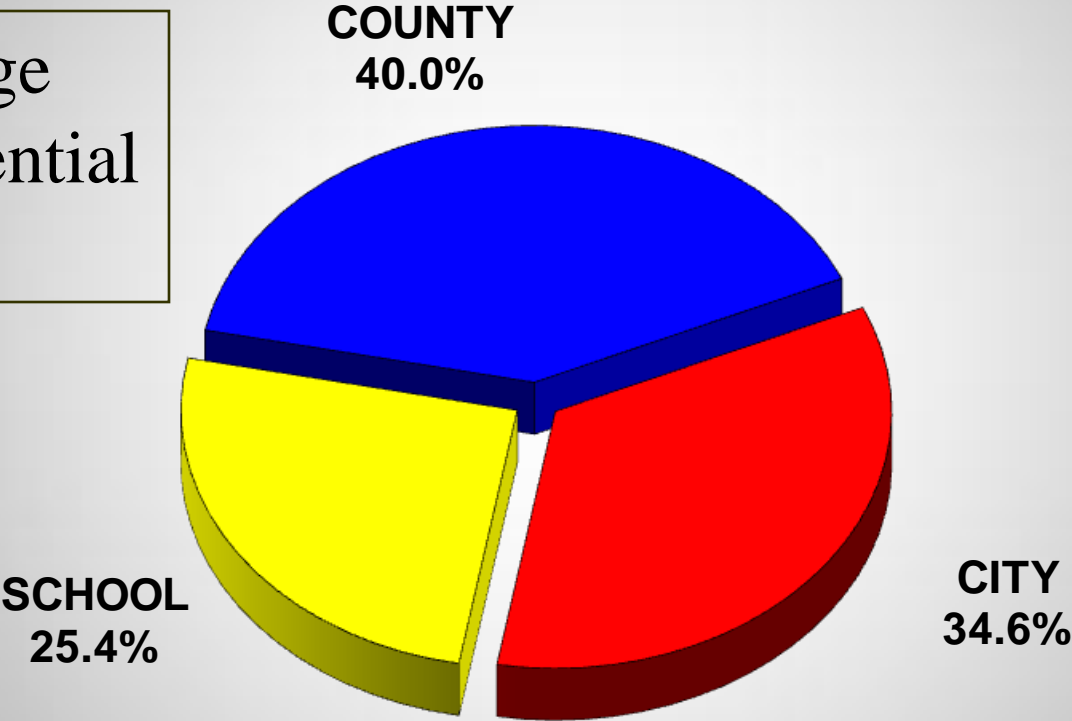
2012 TAX BASE BY PROPERTY CLASS CITY OF ROCHESTER

Percentage of Tax Capacity

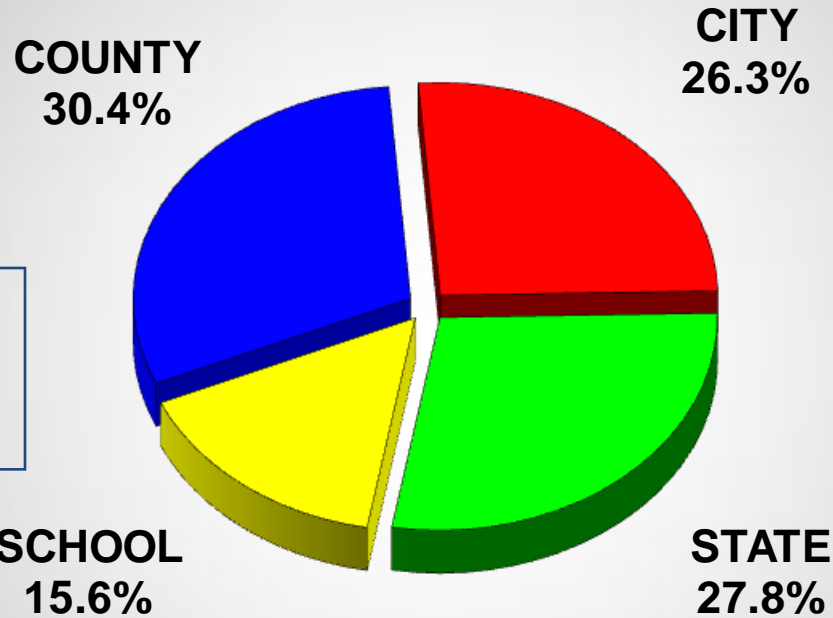


PROPOSED 2012 COMBINED TAX LEVY CITY OF ROCHESTER

Average
Residential
Home



PROPOSED 2012 COMBINED TAX LEVY CITY OF ROCHESTER



Commercial/
Industrial

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

City Employee / Thousand Population Data Comparison

YEAR	NO. CITY EMPLOYEES	CITY POPULATION	CITY EMPLOYEES / 1000 POPULATION
1980	450.25	57,890	7.77
1990	501	70,745	7.08
2000	570.70	85,806	6.64
2010	646.93	106,769	6.06
2011	648.84	107,900	6.01

Top 10 Taxpayers – City of Rochester

Taxpayer	Taxable Market Value	Tax Capacity	% Total City Tax Capacity
Mayo	\$ 299,083,800	\$ 5,906,018	5.85%
Sunstone Properties	\$ 56,288,100	\$ 1,123,512	1.11%
MEPC Apache Properties	\$ 54,607,100	\$ 1,089,892	1.08%
IBM	\$ 41,552,200	\$ 825,239	0.82%
BGD 5 Properties	\$ 34,518,400	\$ 688,118	0.68%
Thompson Reuters PTS, Inc.	\$ 28,099,700	\$ 560,494	0.56%
IRET Properties	\$ 38,649,900	\$ 528,207	0.52%
Maine Land, LLC.	\$ 23,078,600	\$ 456,322	0.45%
Rochester Development, Inc.	\$ 19,671,000	\$ 358,328	0.36%
Mills Properties, Inc.	\$ 16,931,200	\$ 335,497	0.33%