



Public Hearing Presentation

City of Rochester Proposed 2017 Budget

December 5, 2016

CITY OF ROCHESTER
2017 PROPOSED BUDGET SUMMARY

Monday, December 5, 2016, 7:00 p.m., City Council Chambers

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

Wednesday, December 7, 2016, 1:30 p.m., Room 104, City Hall

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

Thursday, December 8, 2016, 1:30 p.m., Room 104, City Hall

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

Friday, December 9, 2016, 1:30 p.m., Room 104, City Hall

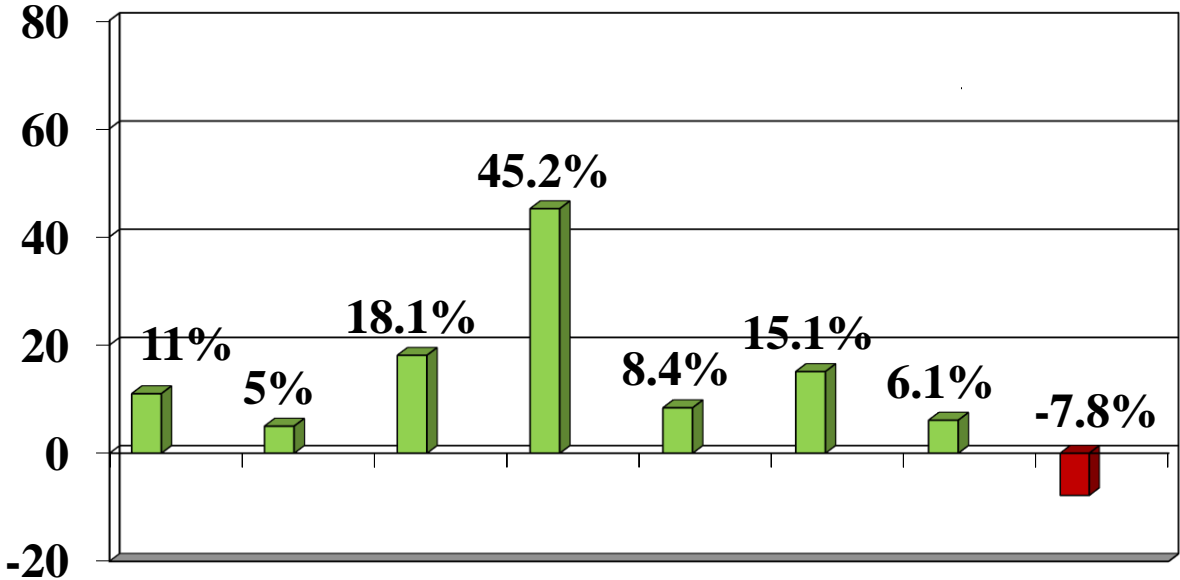
- **Mayor/Council Continued Review of Individual Department Budget Requests**

Monday, December 19, 2016, 7:00 p.m., City Council Chambers

- **Adoption Public Hearing for 2017 Budget**

CITY OF ROCHESTER
Physical Trend Data

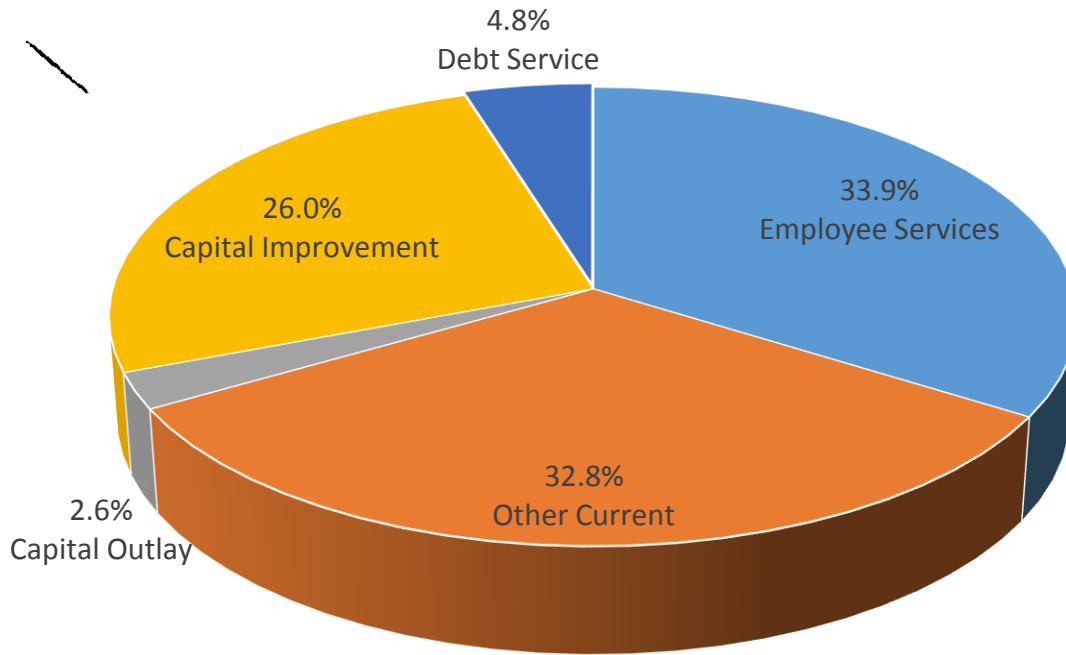
Ten Year Trend
2005 Actual compared to 2015 Actual



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

EXPENDITURE BY CATEGORY

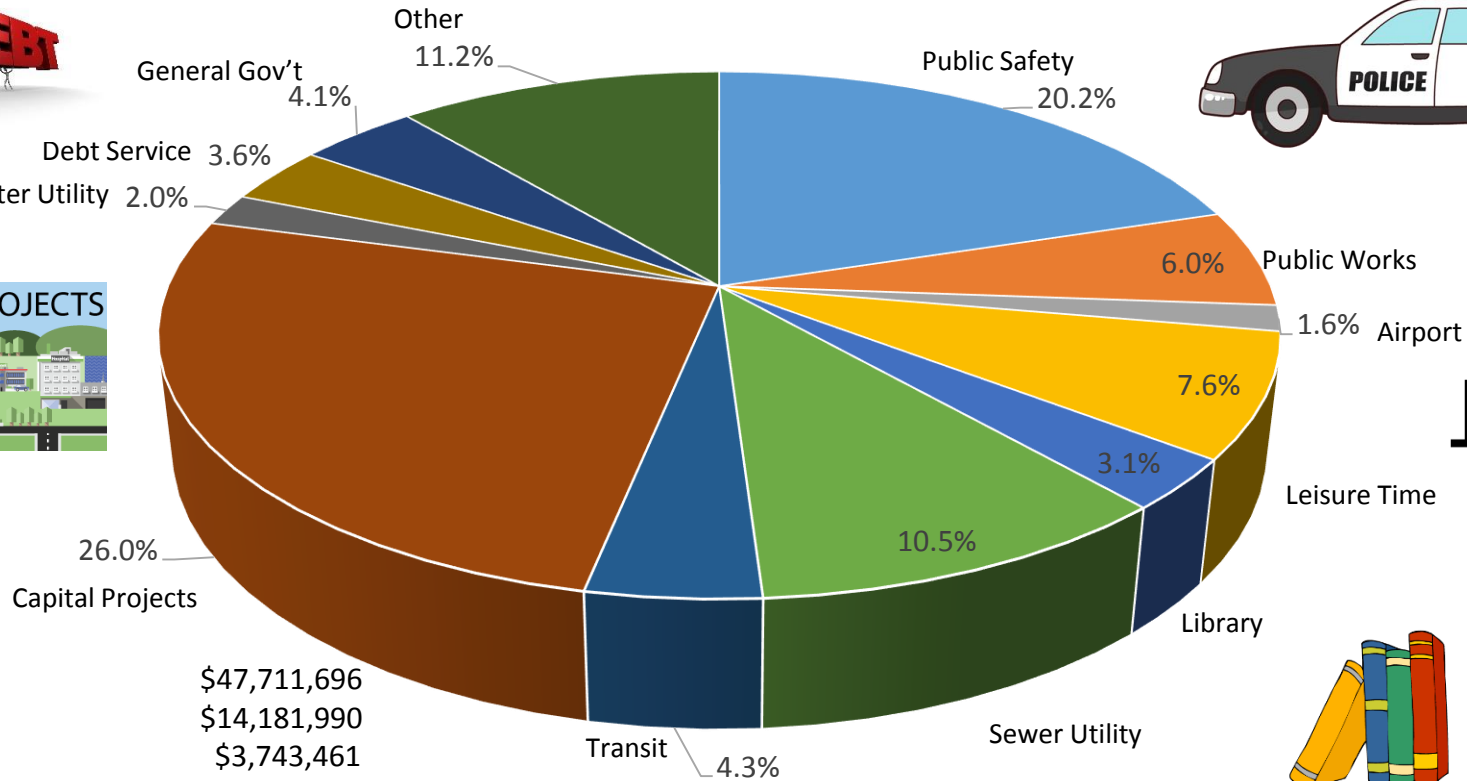
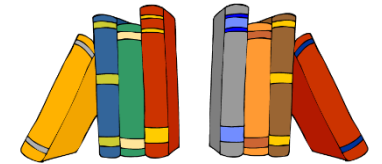
Total Budget PROPOSED 2017



Employee Services	\$80,178,081
Other Expenses	\$77,498,457
Capital Improvements	\$61,391,671
Debt Service	\$11,407,350
Capital Outlay	<u>\$6,040,263</u>
	\$236,515,822

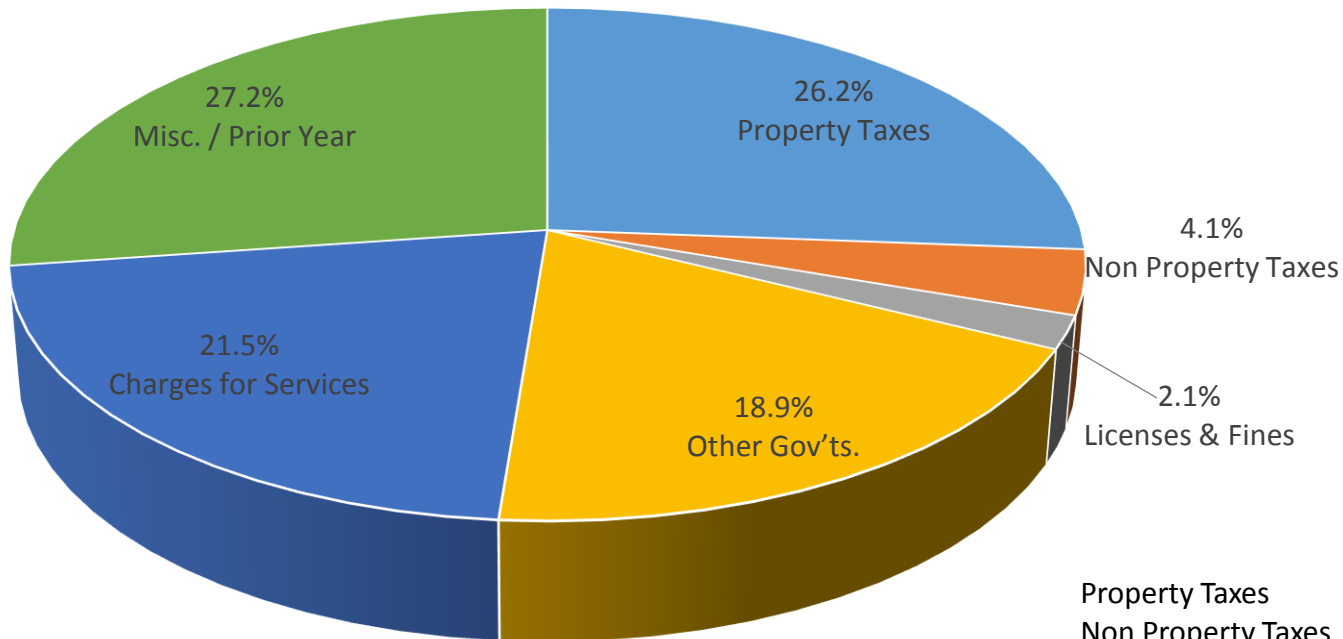
APPLICATION BY FUNCTION

WITHOUT CIP PROJECTS ALLOCATED PROPOSED 2017



Public Safety	\$47,711,696
Public Works	\$14,181,990
Airport	\$3,743,461
Leisure Time	\$17,979,123
Library	\$7,396,418
Sewer Utility	\$24,797,658
Transit	\$10,055,391
Capital Projects	\$61,391,671
Stormwater Utility	\$4,657,790
Debt Service	\$8,405,931
General Gov't	\$9,715,086
Other	<u>\$26,479,607</u>
	\$236,515,822

REVENUE SOURCES PROPOSED 2017 TOTAL BUDGET



Property Taxes	\$61,981,054
Non Property Taxes	\$9,585,700
Licenses & Fines	\$4,937,785
Other Gov'ts	\$44,743,207
Charges Services	\$50,892,278
Misc./Prior Year	<u>\$64,375,798</u>
	\$236,515,822

2017 PROPOSED BUDGET ANALYSIS OF MAJOR REVENUES

	2016 Adopted Budget	2017 Proposed Budget	Increase/(Decrease)
Tax Levy & Tax Abatements	57,222,383	61,981,054	4,758,671
Local Government Aid	7,190,914	7,215,571	24,657
Hotel/Motel Tax	4,650,000	5,00,000	350,000
Cable TV Franchise Fee	1,400,000	1,400,000	0
Inspection Permits	3,380,000	3,542,000	162,005
In Lieu of Tax	11,700,718	11,862,031	161,313
Sewer Utility Charge	23,000,000	24,000,000	1,000,000
Storm Water Utility Fee	5,530,000	6,000,000	470,000
Library Fund			
City Share-Levy	5,930,094	6,238,060	307,966
County Share	906,895	937,394	30,499
Municipal Recreation Fund			
Fee Revenues	3,928,350	4,018,100	89,750
Non-Fee Revenues	6,319,450	6,626,936	307,486
Mayo Civic Center			
Fee Revenues	2,724,030	2,632,089	(91,941)
Non-Fee Revenues	1,168,381	1,476,696	309,406
Parking Fund			
Parking Fines	318,000	310,000	(8,000)
Parking Ramps	4,650,000	5,247,263	597,263
Street Meters	999,000	1,030,000	31,000
Parking Lots	421,000	550,695	129,495

Proposed 2017 Budget Amounts compared to Essential Services

2017 Recommended Property Tax Levy	\$61,981,054
Minus property taxes allocated to Capital Improvements	<u>-\$4,470,879</u>
 Property Taxes available to fund City operating services	 \$57,510,175

Proposed expenditures for:

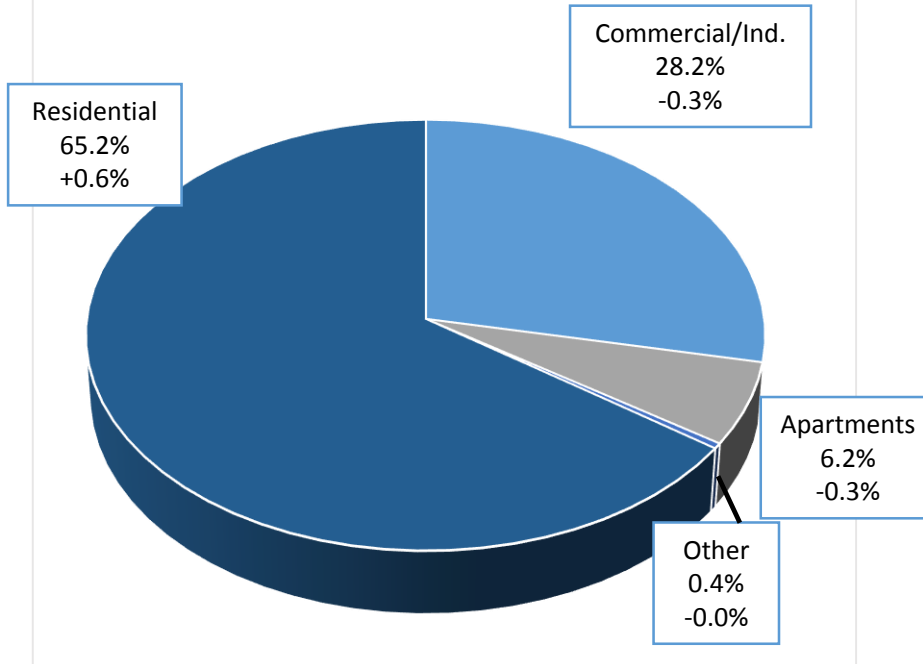
	<u>2017 Operating</u>	<u>2017 Total CIP</u>	<u>CIP funded w/ tax levy \$</u>
Police Department	\$26,771,529	\$1,032,200	\$404,800
Fire Department	\$16,467,489	\$885,000	\$185,000
Street Maintenance	\$7,937,633	\$15,574,040	\$275,000
Traffic Management	\$1,396,436	\$1,714,000	\$194,500
Street Lighting	<u>\$1,281,006</u>	<u>\$0</u>	<u>\$0</u>
	\$53,854,093	\$19,205,240	\$1,059,300

Expenditures for the Essential Services listed above account for 93.6% of City's property tax levy allocated to Operating Budget and 23.7% of the property tax levy allocated to the CIP.

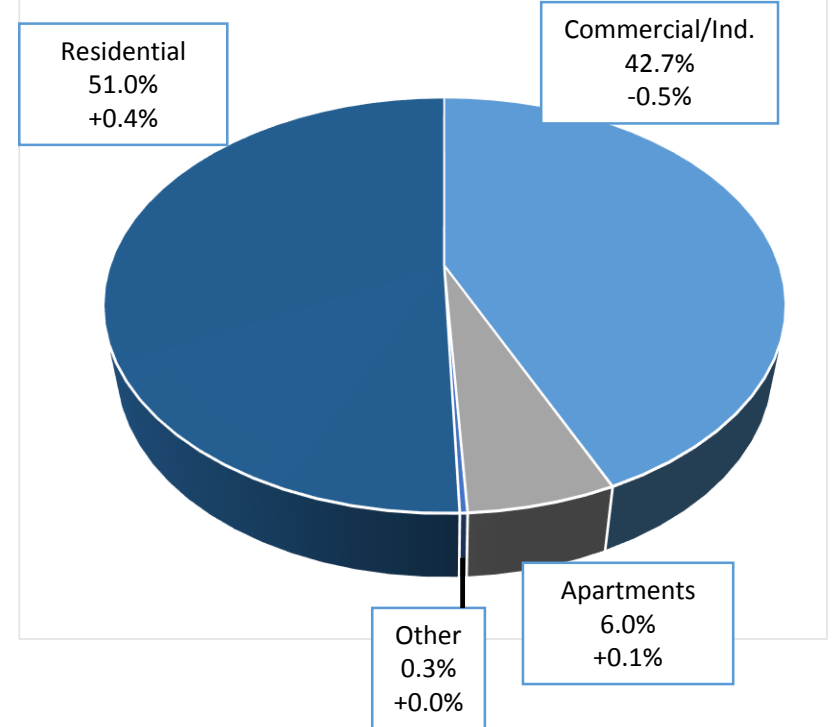


2017 TAX BASE BY PROPERTY CLASS CITY OF ROCHESTER

Percentage of Market Value



Percentage of Tax Capacity

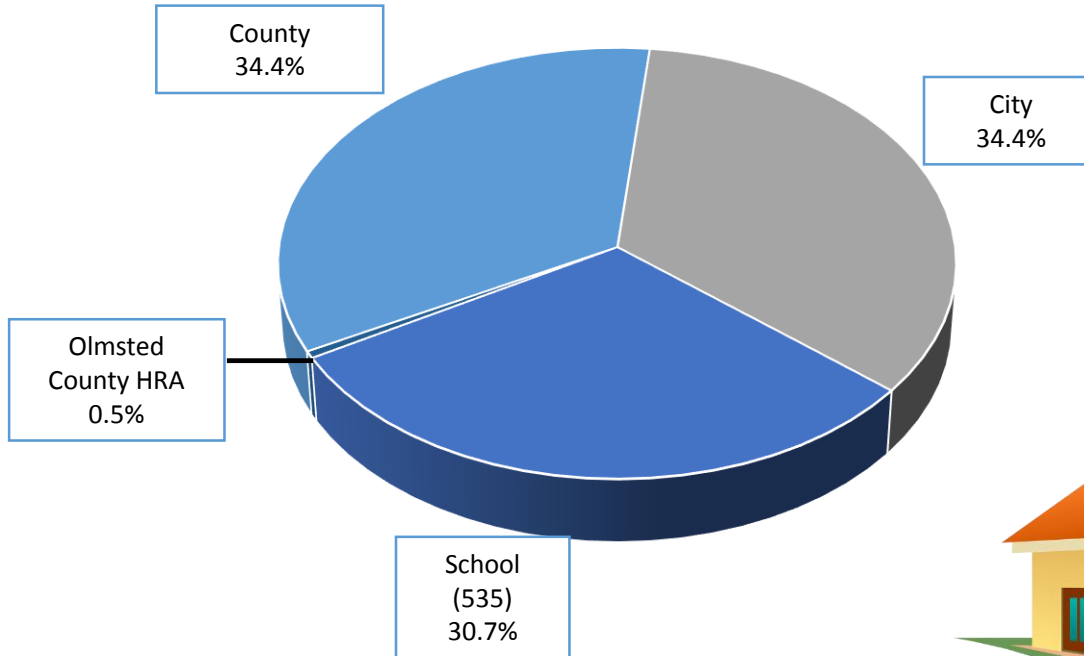




PROPOSED 2017 COMBINED TAX LEVY CITY OF ROCHESTER

Average
Residential
Home

Share of Total Property Tax Bill

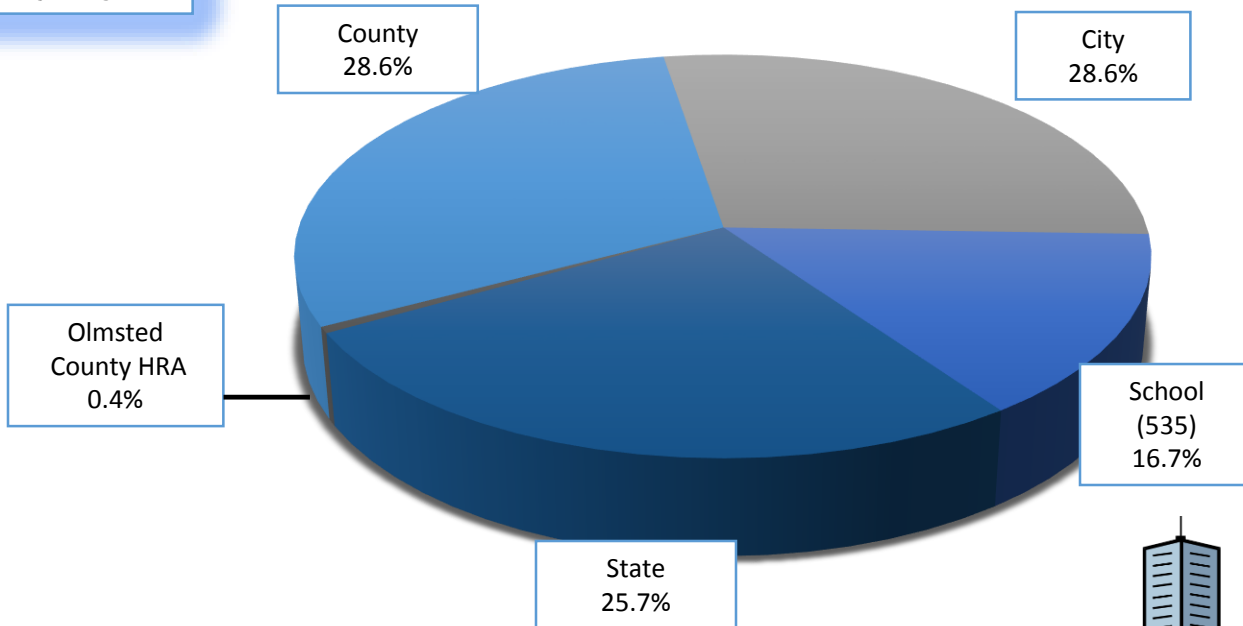


PROPOSED 2017 COMBINED TAX LEVY CITY OF ROCHESTER

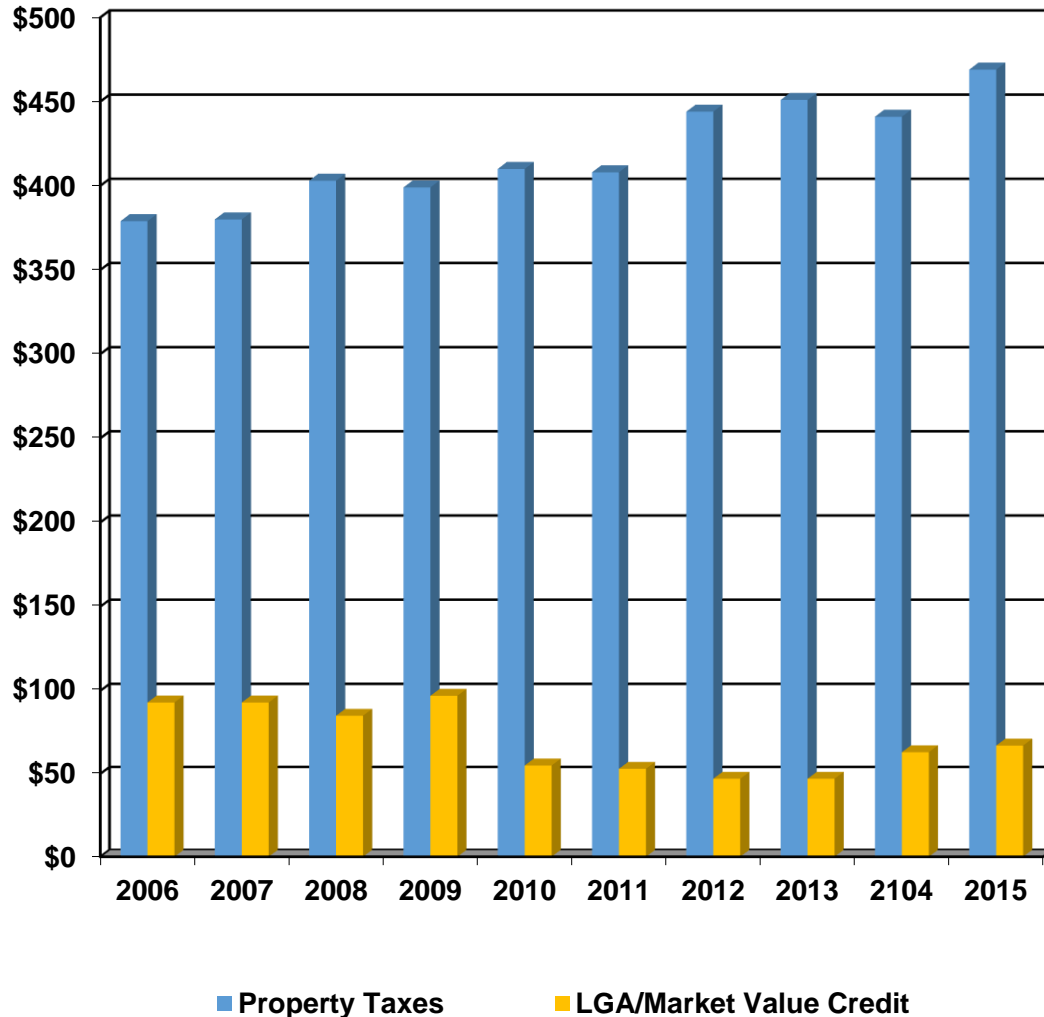


Share of Total Property Tax Bill

**Commercial /
Industrial
Property**



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



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

- 2006 \$395
- 2010 431
- 2015 469

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

- 2006 \$97
- 2010 57
- 2015 67

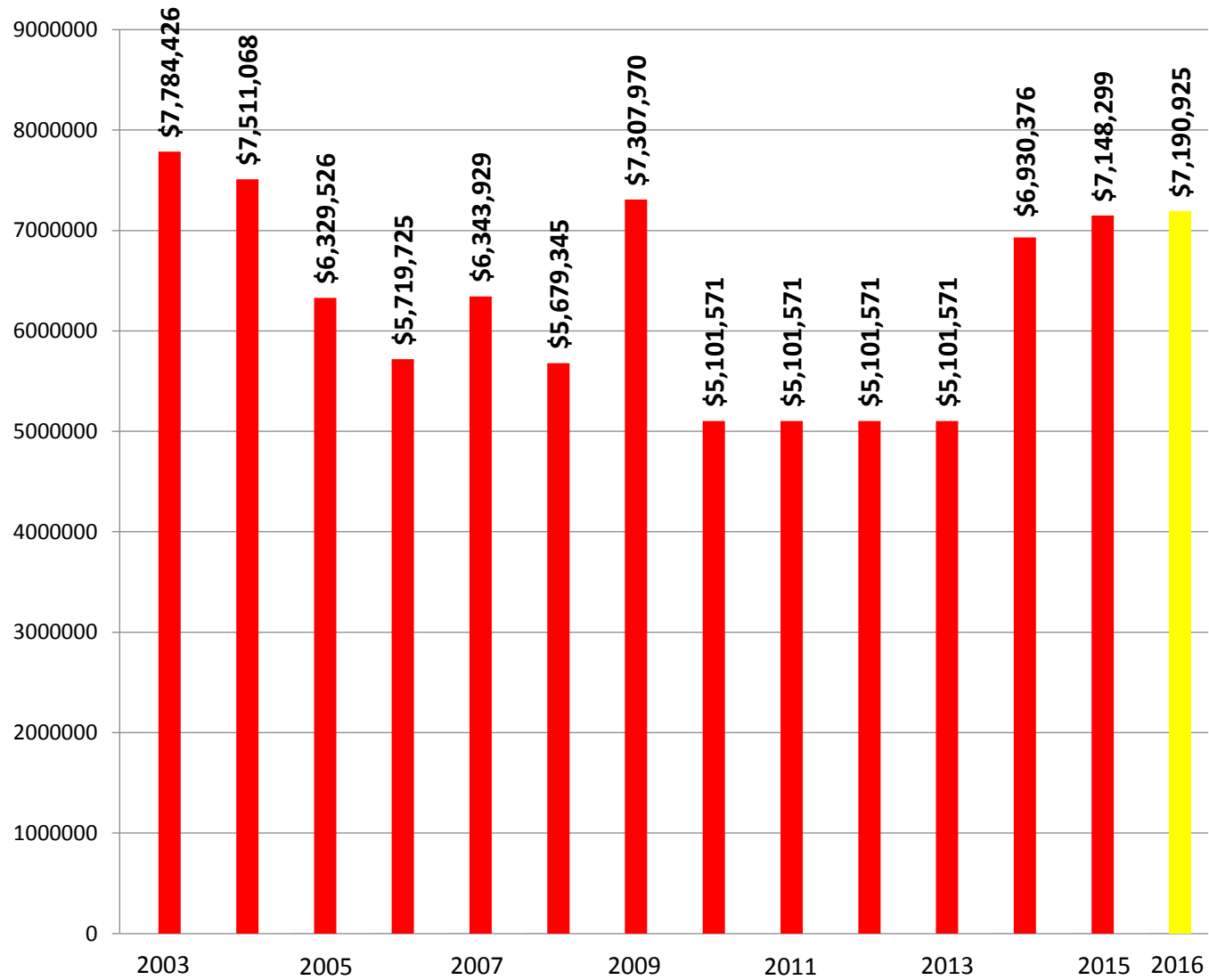
- **Per Capita Total of Property Taxes, LGA/Market Value Credit**

- 2006 \$492
- 2010 488
- 2015 536

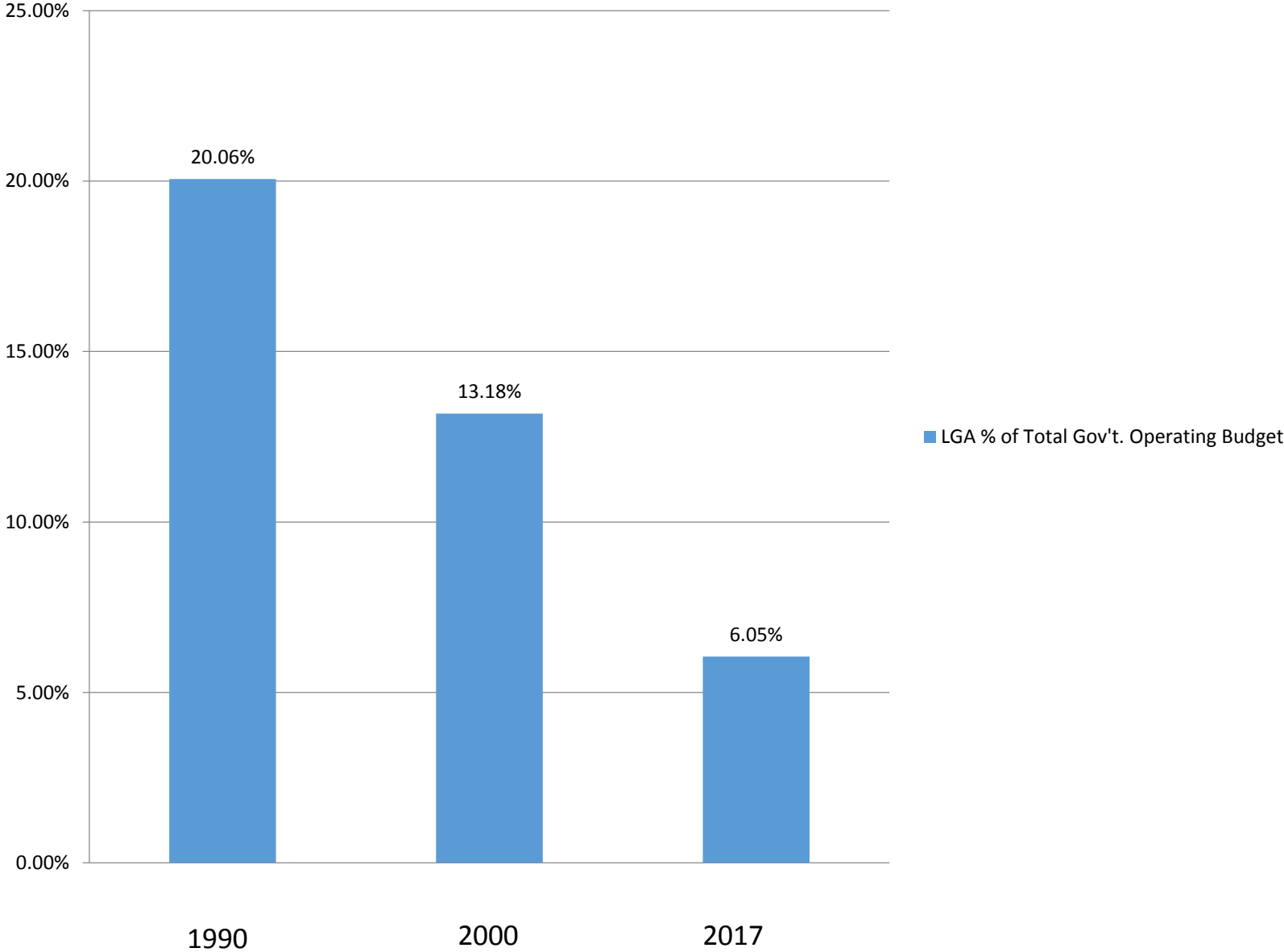
- **Population**

- 2006 98,649
- 2010 106,769
- 2015 111,850

City of Rochester LGA History Since 2003

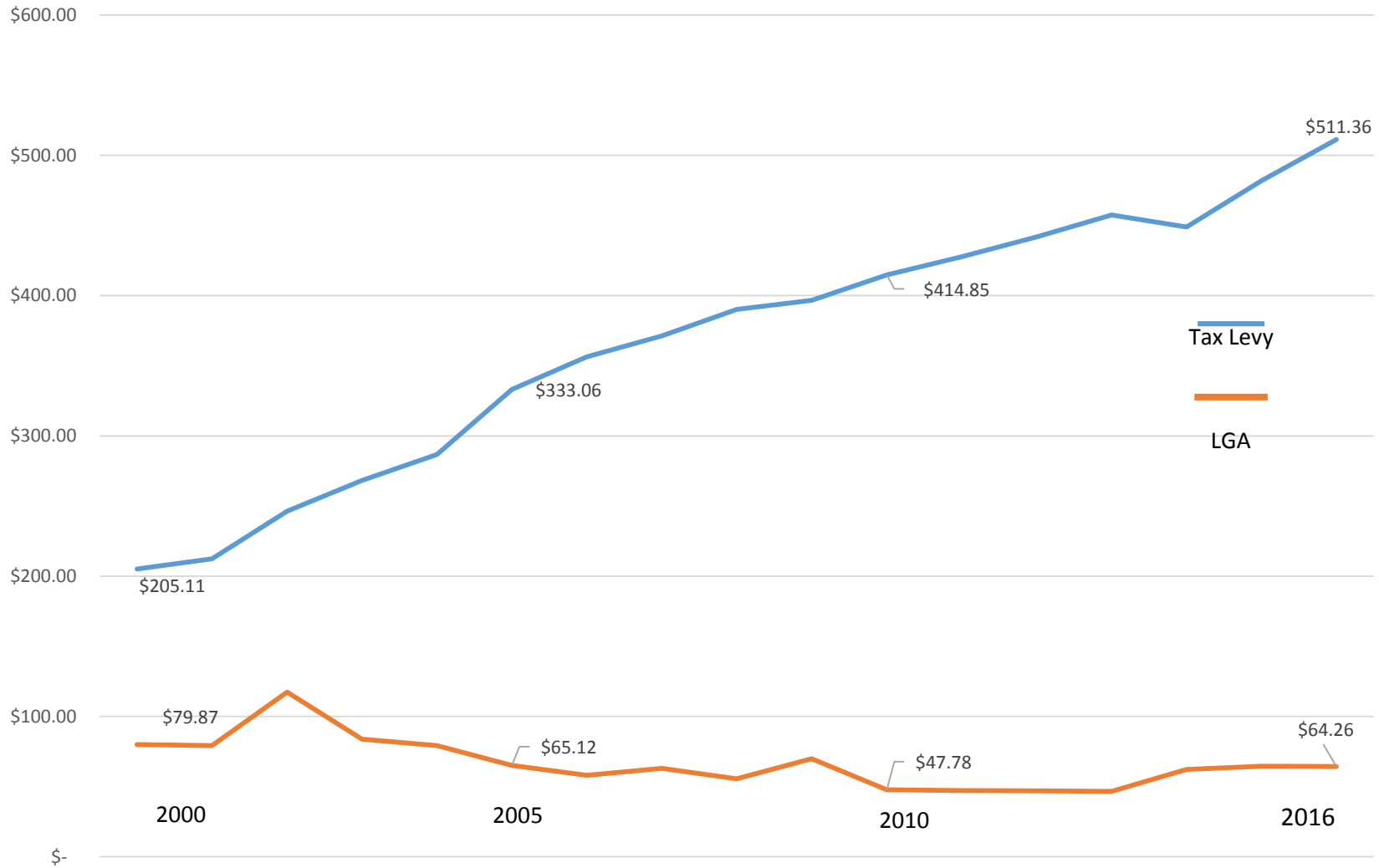


LGA % of Total Gov't. Operating Budget

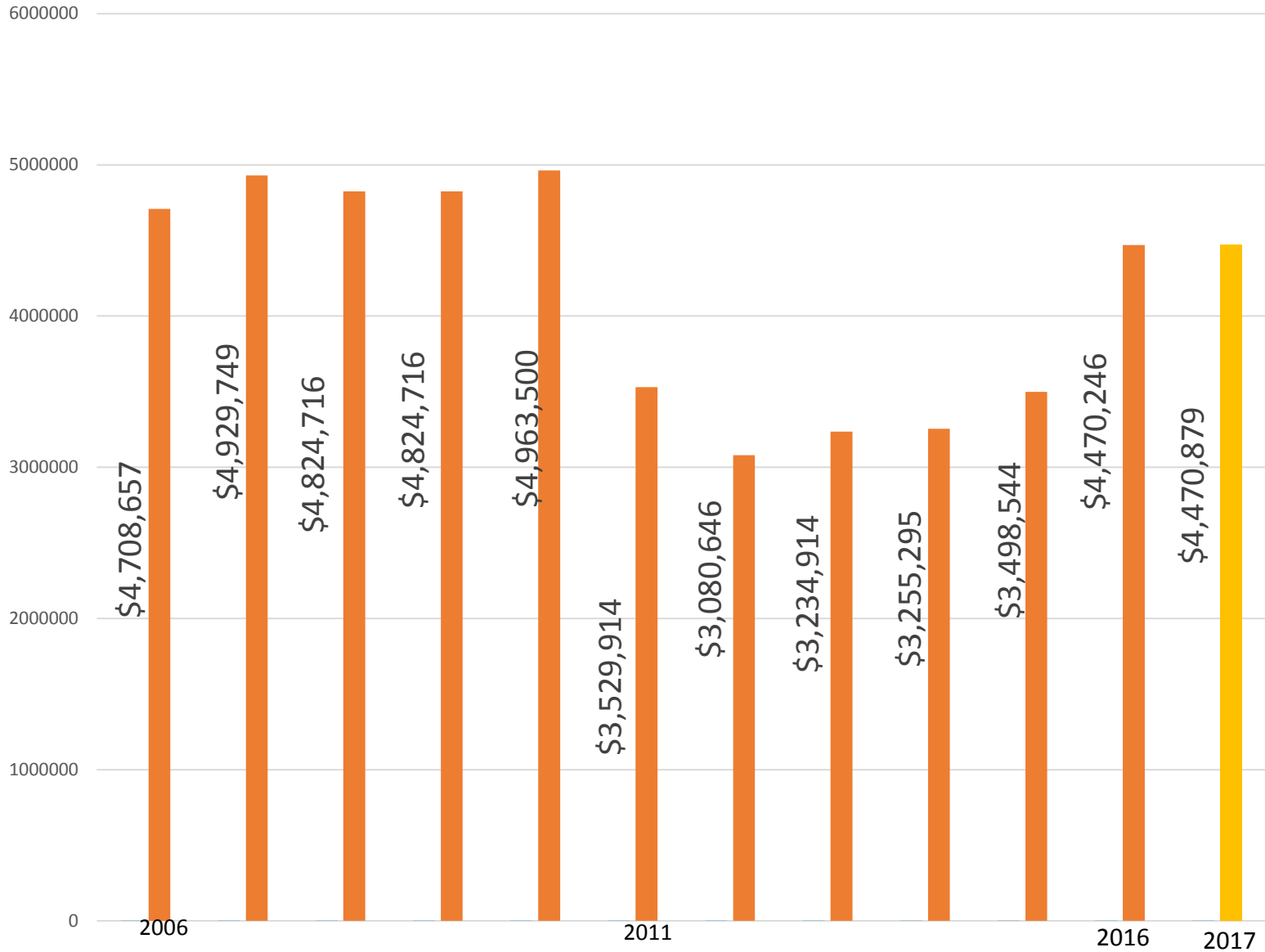


2000-2016 comparison of Property Tax levy vs. LGA / person

Chart Title

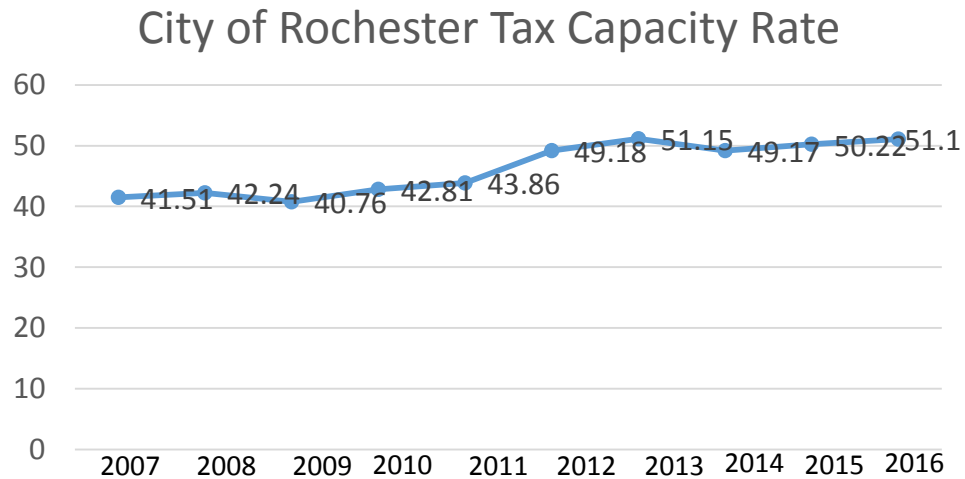


Amount of Property Tax Levy (including abatement) attributable to Capital Improvement Project Budget from 2006 - 2017



City of Rochester Property Tax Rates since 2007

Year	City of Rochester Tax Capacity Rate
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
2016	51.10



Comparison of Rochester 2016 Tax Rate to Other MN Cities (based upon 2016 LMC Property Tax Report Data)

City	2016 City Property Tax Rate	2016 LGA/Capita Comparison	LGA as % of Tax Levy
Minneapolis	62.44	\$ 188.61	27.50%
St. Paul	42.58	\$ 207.54	59.02%
Duluth	33.38	\$ 337.93	135.28%
Winona	38.02	\$ 355.20	143.29%
Austin	44.96	\$ 317.96	162.94%
Moorhead	39.45	\$ 170.13	64.14%
Mankato	43.62	\$ 166.28	41.70%
St. Cloud	47.19	\$ 179.17	57.84%
Rochester	51.10	\$ 64.26	12.60%
Albert Lea	64.32	\$ 292.62	85.07%
Owatonna	59.58	\$ 158.59	38.69%
2016 Comparison of City Tax Rates to Area Cities			
Stewartville	61.12	\$ 142.95	39.40%
Kasson	84.96	\$ 164.16	37.38%
Byron	67.8	\$ 51.65	9.87%
Eyota	59.54	\$ 249.74	88.20%
Chatfield	92.04	\$ 269.49	53.78%
Dover	64.21	\$ 178.28	55.48%
Dodge Center	100.59	\$ 254.86	47.53%
Pine Island	78.62	\$ 175.42	31.49%
Rochester	51.1	\$ 64.26	12.60%

City Employee / Thousand Population Data Comparison

(Full-time, Not Including RPU)

YEAR	NO. CITY EMPLOYEES	ESTIMATED CITY POPULATION	CITY EMPLOYEES / 1000 POPULATION
1980	450.25	57,890	7.77
1990	501	70,745	7.08
2000	570.7	85,806	6.64
2010	646.93	106,769	6.06
2016	652	111,907	5.82

Top 10 Taxpayers – City of Rochester

Taxpayer	Taxable Market Value	Tax Capacity	% Total City Net Tax Capacity
Mayo	\$556,732,000	\$11,053,001	9.87%
MEPC / Apache Properties	\$68,759,200	\$1,372,934	1.23%
IBM	\$50,342,900	\$978,378	0.87%
Rochester Development Inc.	\$26,773,100	\$746,208	0.67%
MN Energy Resources	\$32,205,700	\$644,084	0.58%
KAH 20 2nd Avenue LLC	\$31,731,900	\$633,888	0.57%
GH Holdings LLC	\$17,156,600	\$530,354	0.47%
Carpenter & Torgerson SSMR LLC	\$25,293,200	\$501,364	0.45%
Maine Land LLC	\$24,326,100	\$481,272	0.43%
City of Rochester (MN BioBusiness Building)	\$25,973,700	\$477,126	0.43%

City of Rochester 2017 Proposed Budget Meeting



December 5, 2016