



Public Hearing
Presentation

Proposed 2011 Budget
for the
City of Rochester

December 6, 2010

CITY OF ROCHESTER
2011 PROPOSED BUDGET SUMMARY

December 6, 2010, 7:00 p.m., City Council Chambers

- **Initial Public Hearing on 2011 Proposed Budget**

December 6, 2010, 2:00 p.m., Room 104, City Hall

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

December 7, 2010, 2:00 p.m., Room 104, City Hall

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

December 8, 2010, 2:00 p.m., Room 104, City Hall

- **Mayor/Council Continued Review of Individual Department Budget Requests (if needed)**

December 20, 2010, 7:00 p.m., City Council Chambers

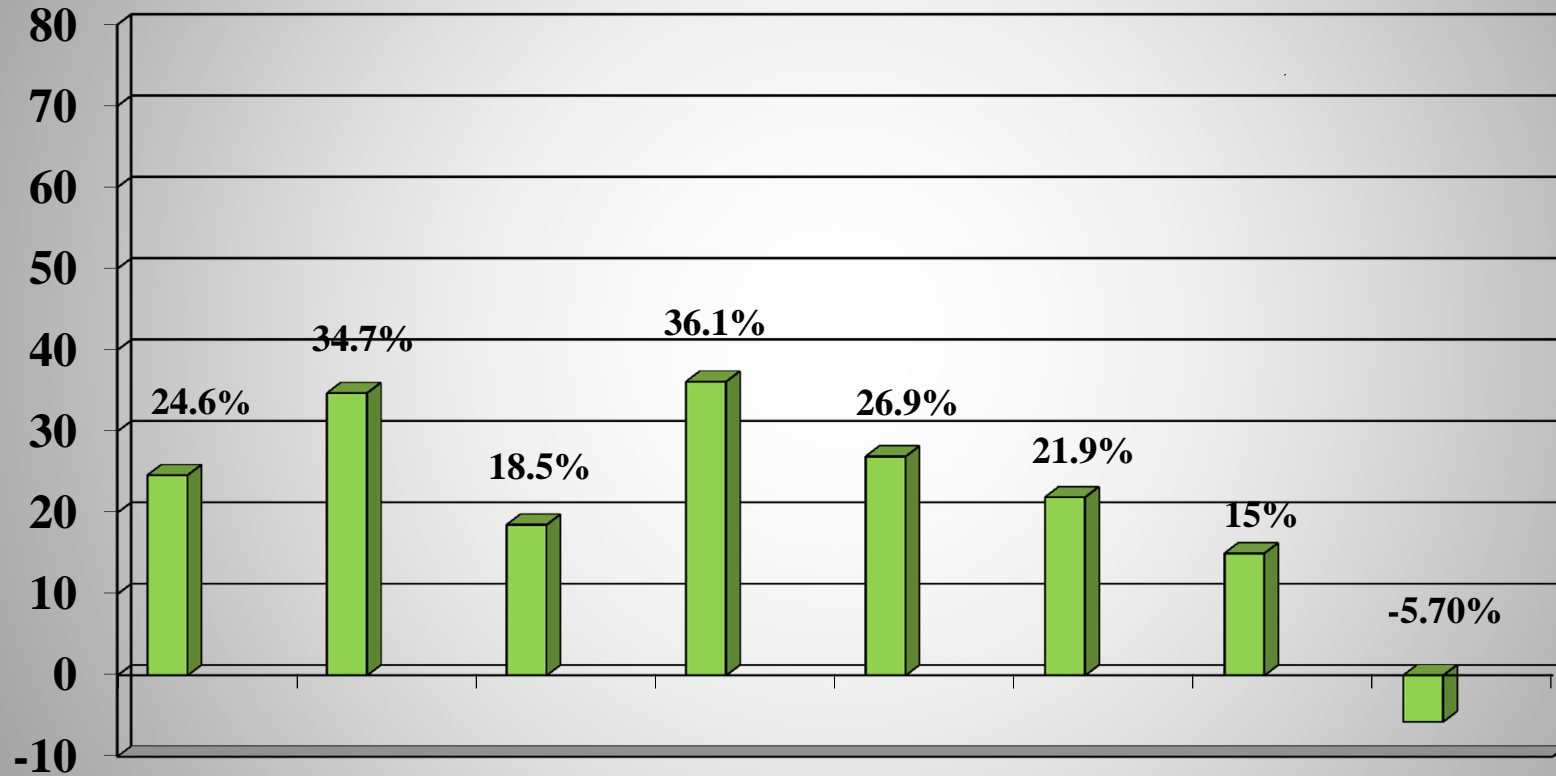
- **Adoption Public Hearing for 2011 Budget**

CITY OF ROCHESTER

Physical Trend Data

Ten Year Trend

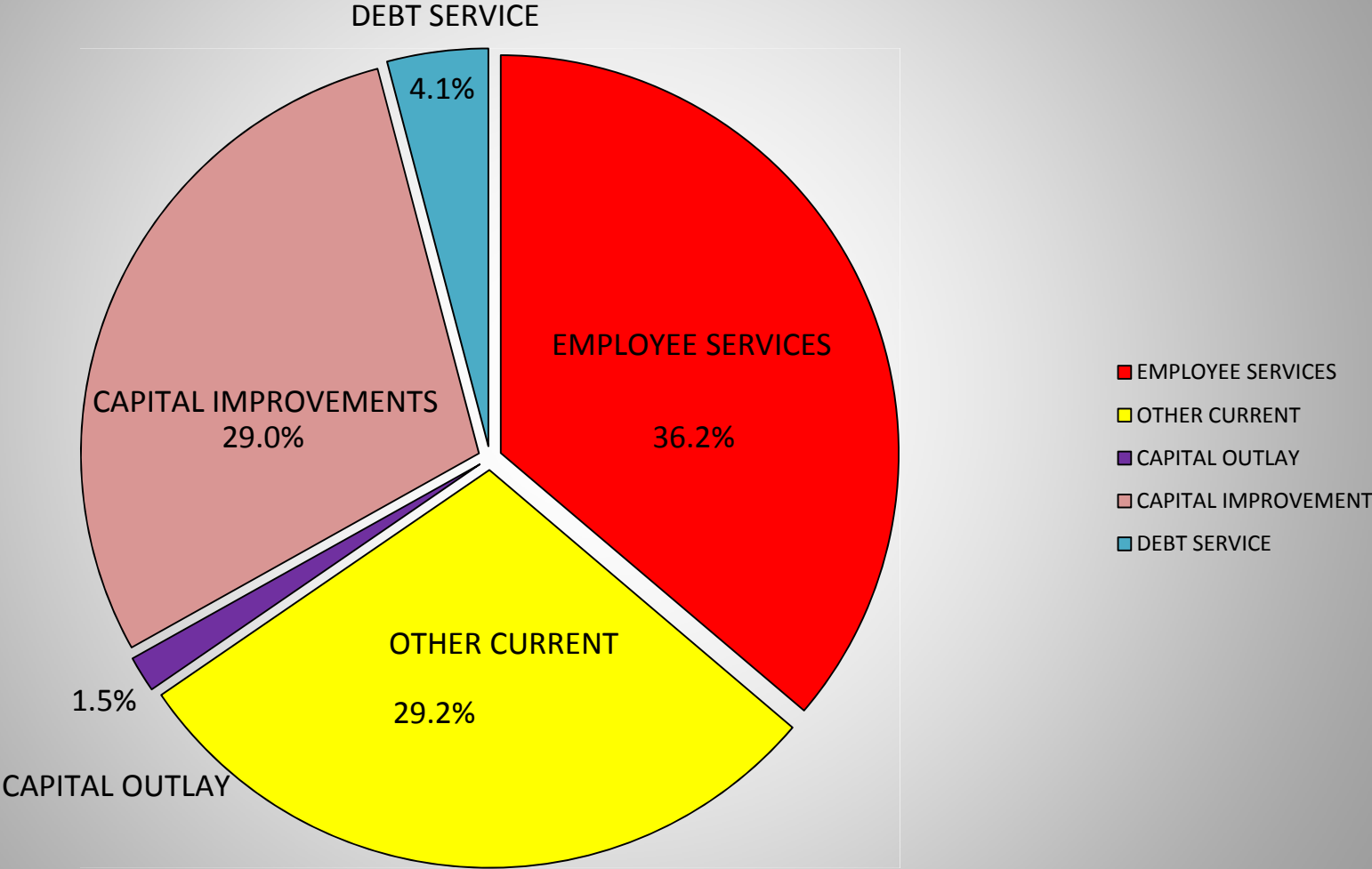
2000 Actual compared to 2009 Actual



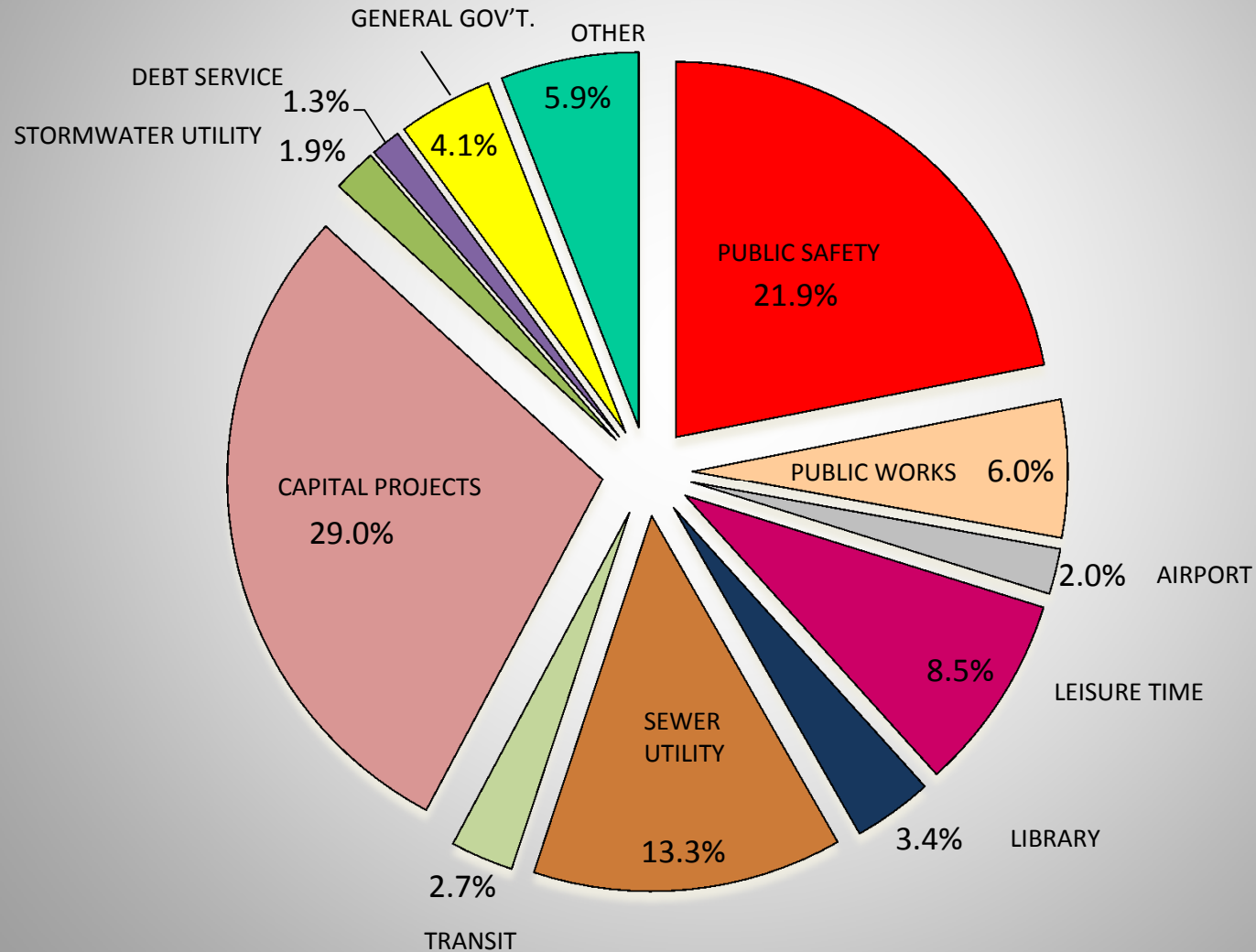
-----Miles-----						-----City Employment-----
Streets	Sanitary Sewer	Storm Sewer	Park Acres	City Area	Pop.	# of Employees
						Per 1,000 Pop.

APPLICATION BY CHARACTER

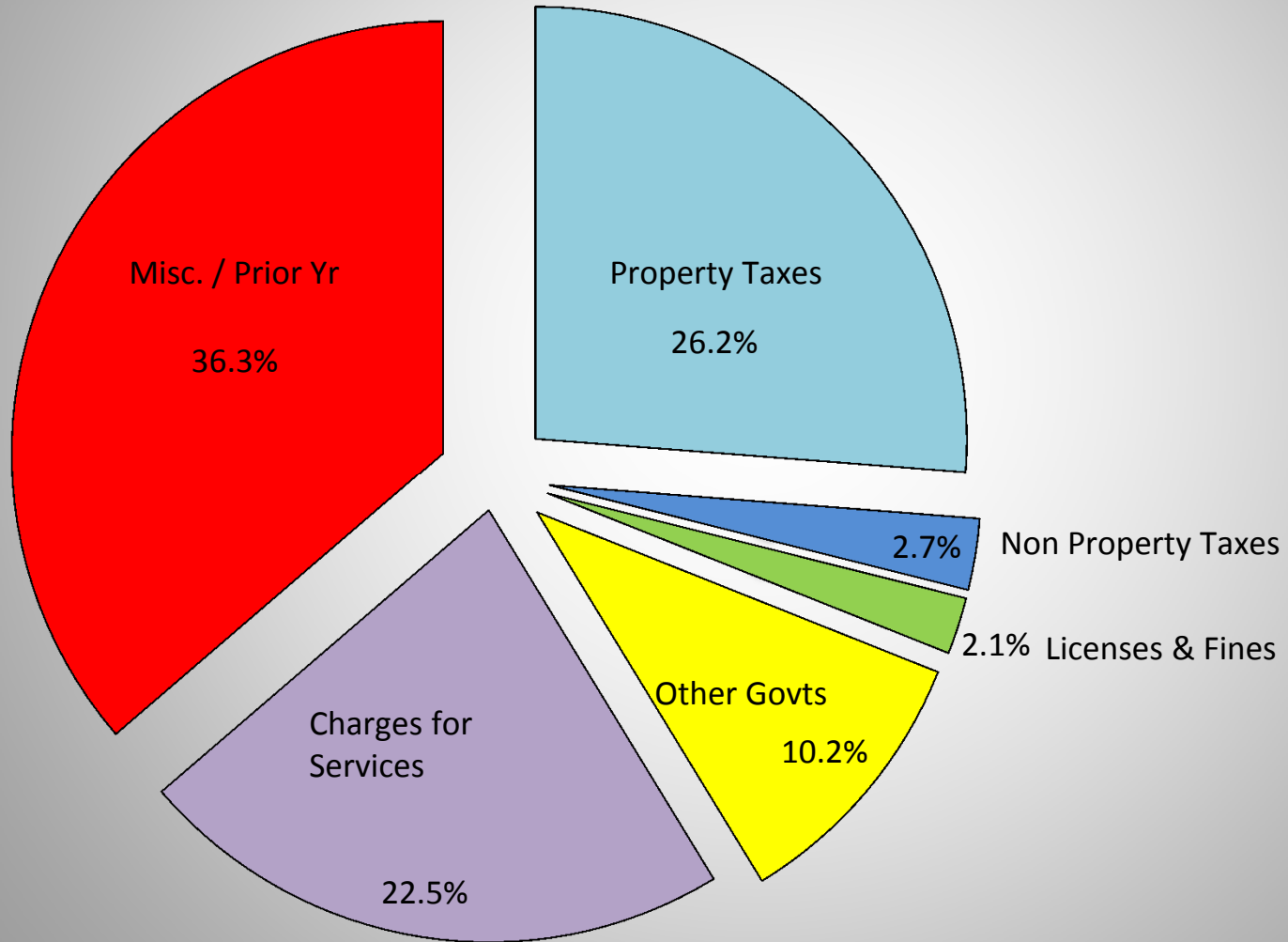
Total Budget PROPOSED 2011



APPLICATION BY FUNCTION WITHOUT CIP PROJECTS ALLOCATED PROPOSED 2011



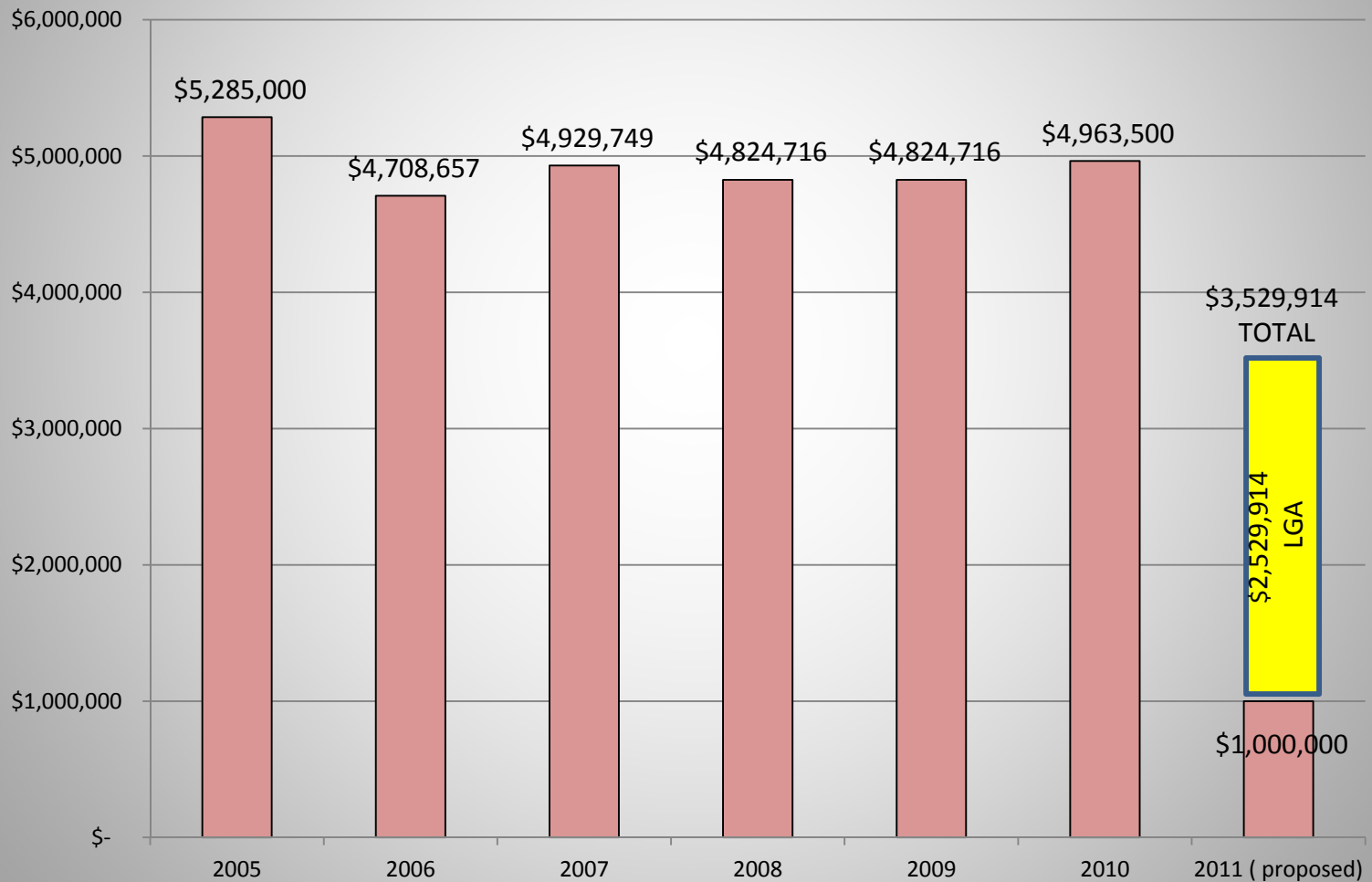
REVENUE SOURCES
PROPOSED 2011
TOTAL BUDGET



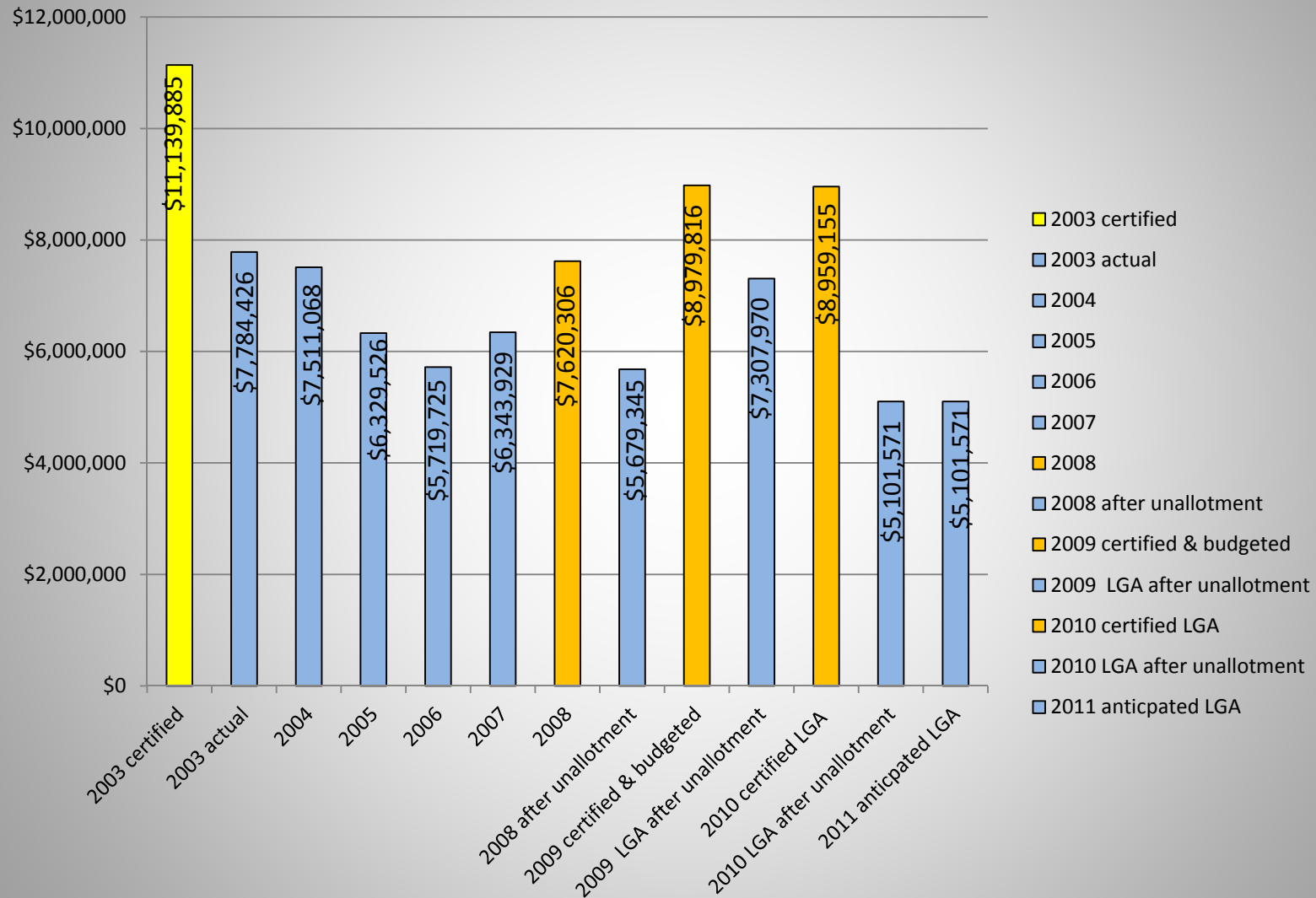
2011 PROPOSED BUDGET
ANALYSIS OF MAJOR REVENUES

	2011 Budget	2010 Budget	Increase/(Decrease)
Tax Levy & Tax Abatements	45,967,888	44,272,624	1,695,264
Local Government Aid	5,101,571	5,101,571	-0-
Hotel/Motel Tax	3,500,000	3,250,000	250,000
Cable TV Franchise Fee	1,275,000	1,300,000	(25,000)
Inspection Permits	2,020,000	1,885,000	135,000
In Lieu of Tax	10,845,623	10,755,268	90,355
Sewer Utility Charge	17,261,577	15,820,000	1,441,577
Storm Water Utility Fee	5,014,143	4,432,372	581,771
Library Fund			
-City Share	4,893,321	4,802,357	90,964
-County Share	948,696	894,168	54,528
Municipal Recreation Fund			
-Fee Revenues	7,376,732	7,124,995	251,737
-Non-Fee Revenues	6,330,899	5,787,986	542,913
Parking Fund			
-Parking Fines	531,624	525,000	6624
-Parking Ramps	3,469,696	3,189,070	280,626
-Street Meters	885,682	790,000	95,682
-Parking Lots	394,323	342,019	52,304

Amount of Property Tax Levy (including abatement) attributable to Capital Improvement Project Budget from 2005 - 2011

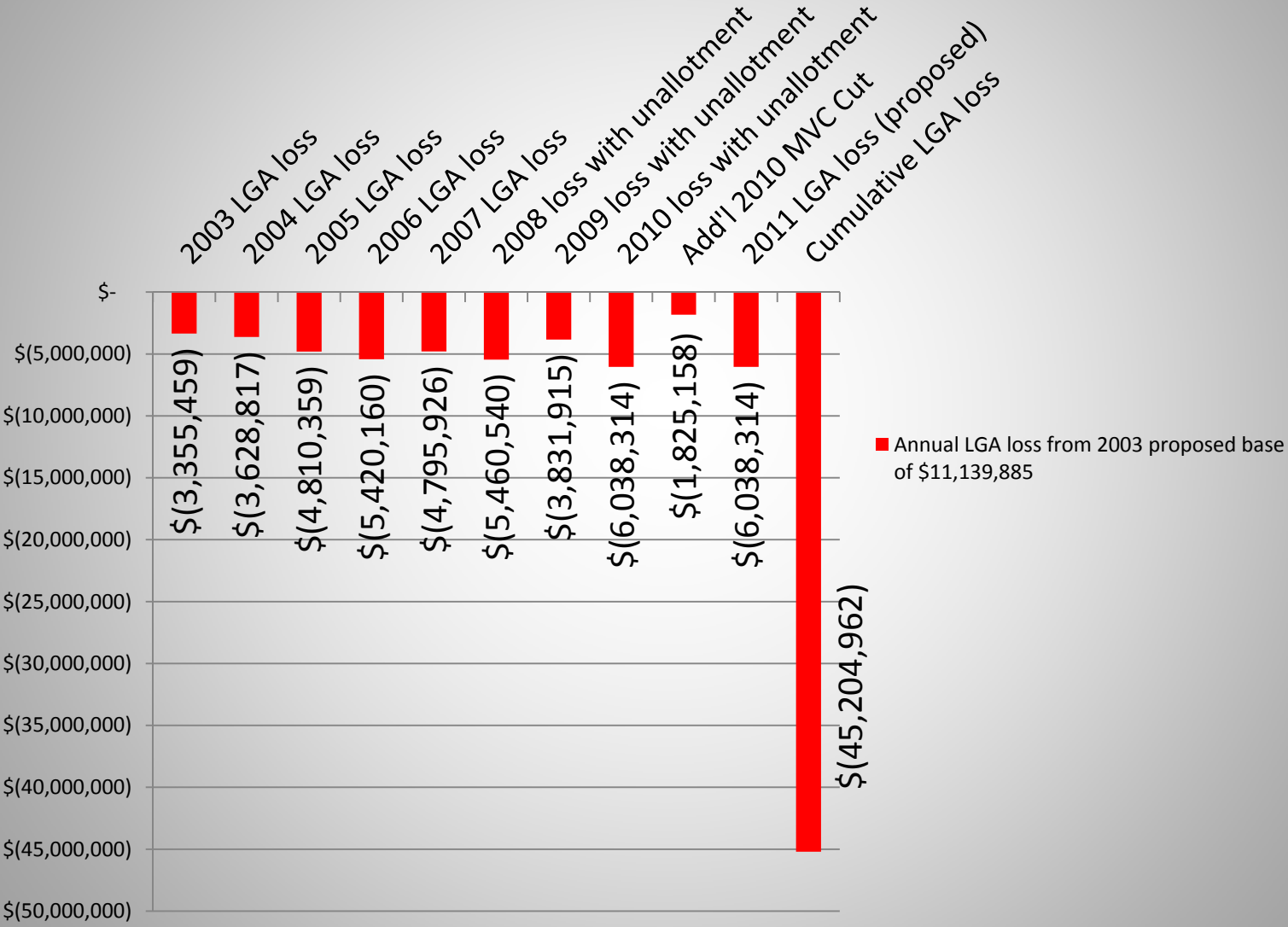


City of Rochester LGA History Since 2003

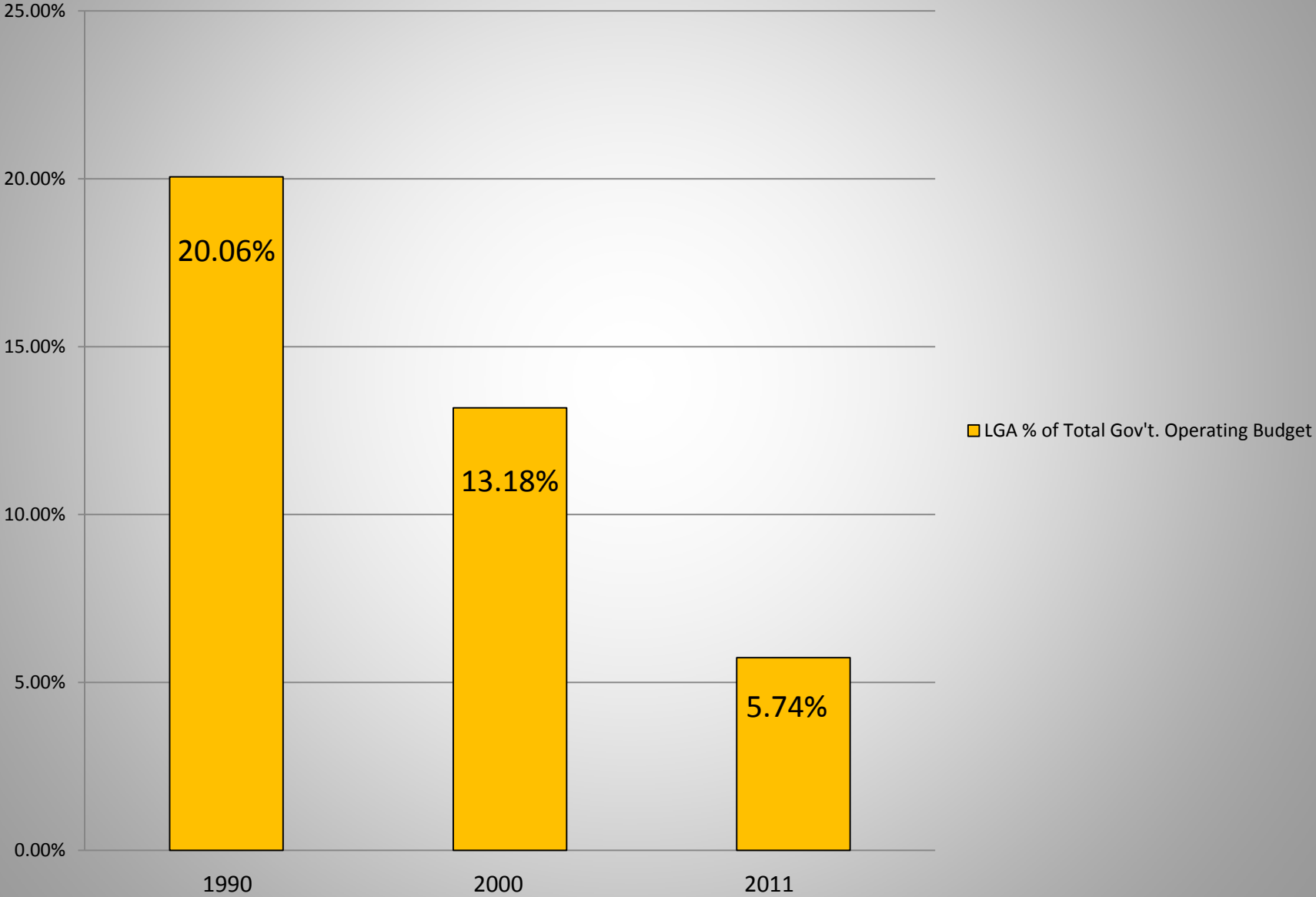


*In addition to the LGA unallotment, the City also had an additional \$1.85M of MVC unalloted as well.

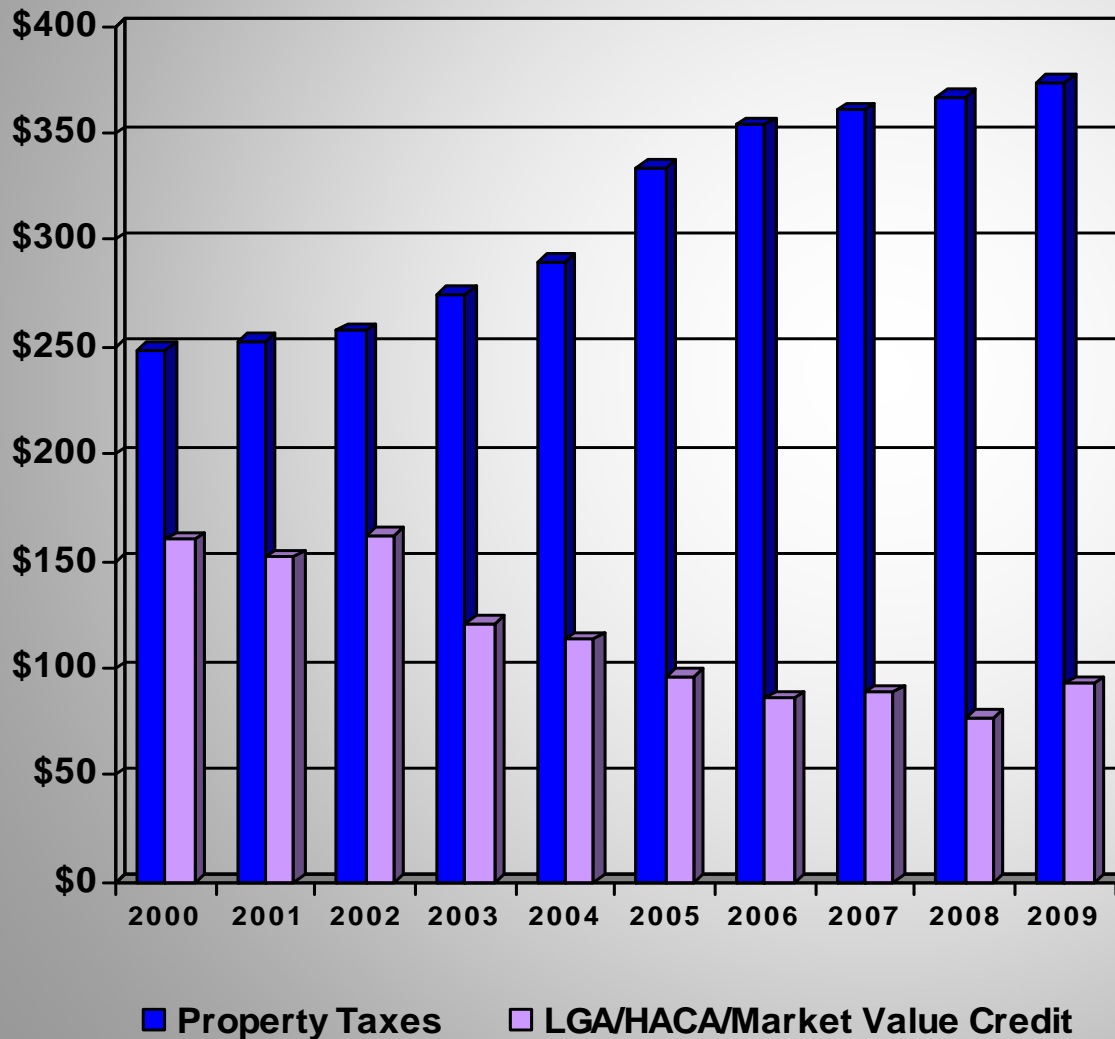
Cumulative LGA loss for City of Rochester since 2003, with actual and proposed LGA cuts through 2011



LGA as a % of City Governmental Operating Budget



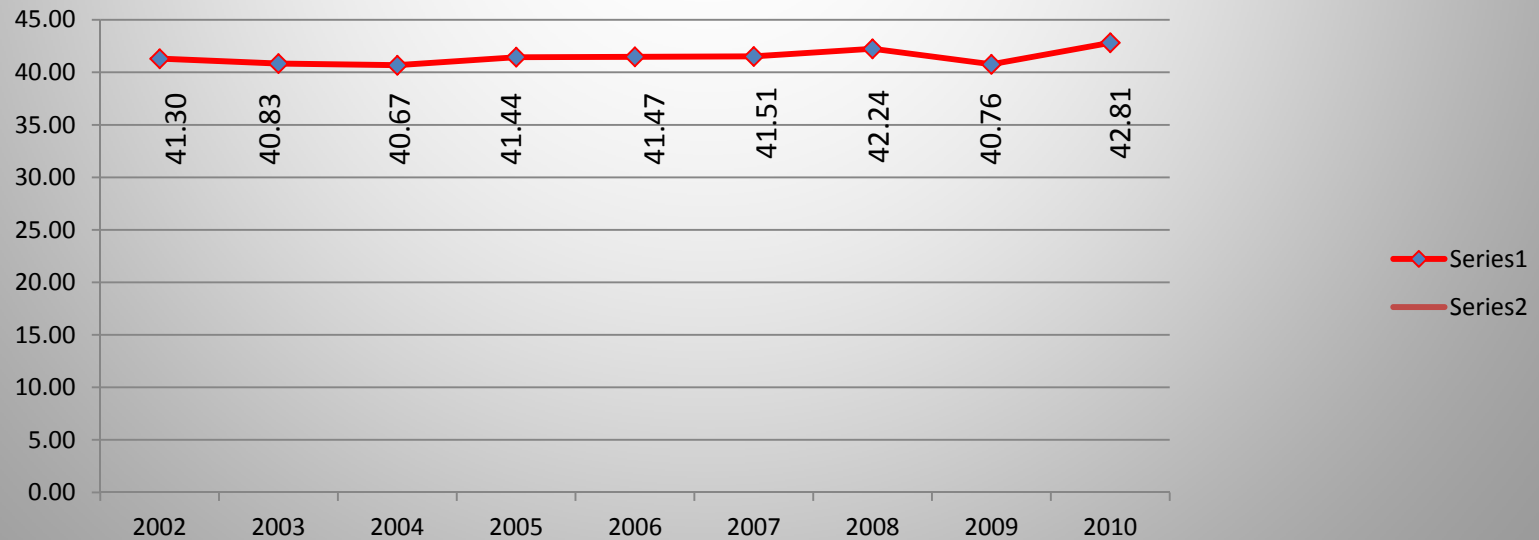
Property Taxes, LGA, HACAs & Market Value Credit (Per Capita, Inflation Adjusted)



- **Per Capita Property Taxes (Excluding Market Value Credit)**
 - 2000 \$249
 - 2004 290
 - 2009 374
- **Per Capita LGA/HACA/Market Value Credit**
 - 2000 \$160
 - 2004 113
 - 2009 93
- **Per Capita Total of Property Taxes, LGA/HACA/Market Value Credit**
 - 2000 \$409
 - 2004 403
 - 2009 467
- **Population**
 - 2000 85,806
 - 2004 94,820
 - 2009 104,578

City of Rochester Tax Capacity rates since 2002

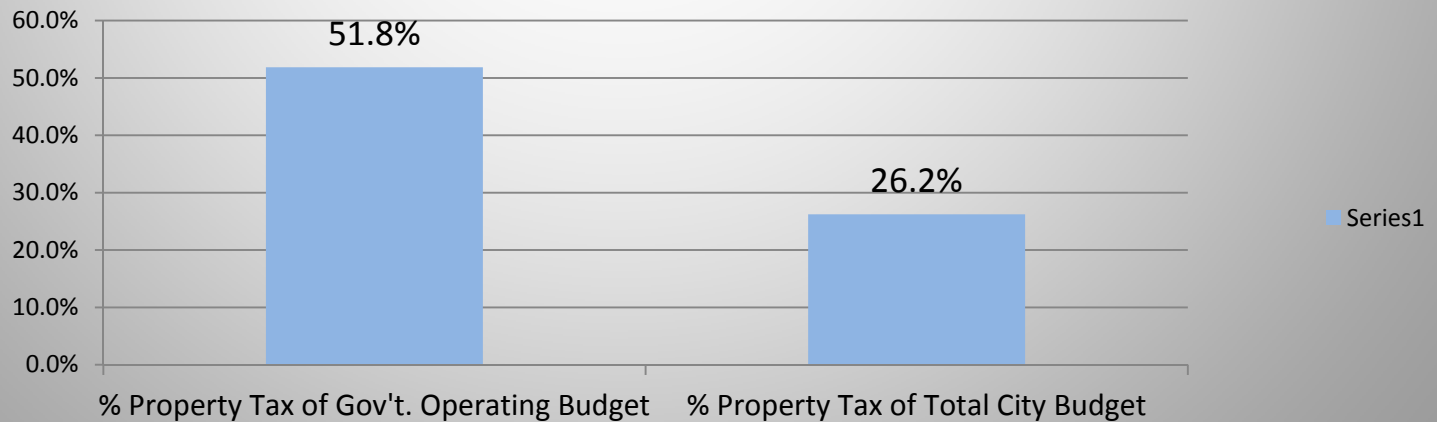
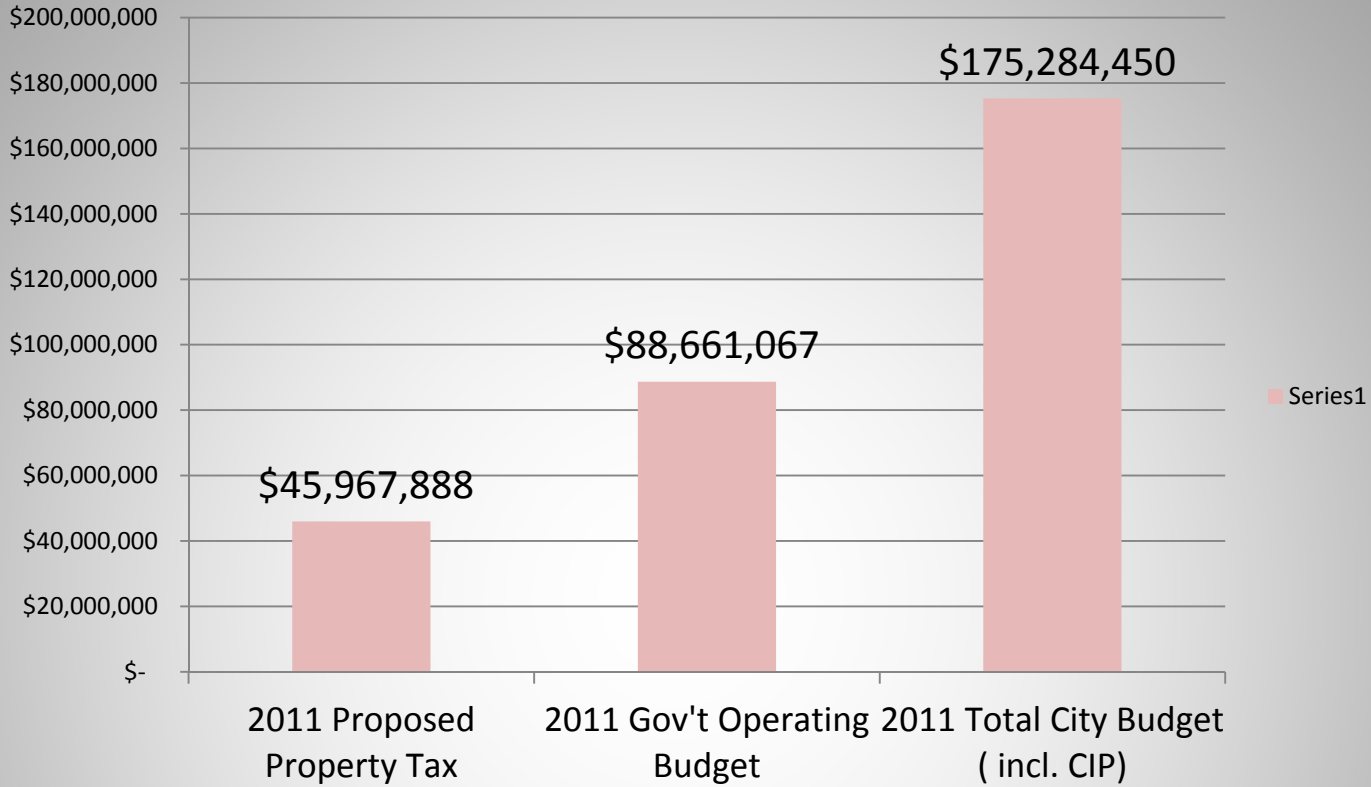
Year	City of Rochester Tax Capacity Rate
2002	41.30
2003	40.83
2004	40.67
2005	41.44
2006	41.47
2007	41.51
2008	42.24
2009	40.76
2010	42.81



Comparison of 2009 City tax Rates and LGA / Capita between Rochester
and other Minnesota cities

City	2009 City Property Tax Capacity Rate Comparison	2009 LGA / Capita Comparison
Minneapolis	57.05	\$ 205.70
St. Paul	32.38	\$ 199.85
Duluth	25.40	\$ 342.65
Winona	31.22	\$ 349.10
Austin	33.64	\$ 311.31
Moorhead	33.97	\$ 202.75
Mankato	36.56	\$ 189.63
St. Cloud	40.14	\$ 170.41
Rochester	40.76	\$ 71.34
Albert Lea	44.18	\$ 281.57
Owatonna	44.77	\$ 149.96

2011 Property Tax as a % of City Gov't Operating Budget and Total Budget (incl. CIP)



2011 City Property Tax Comparison to Public Safety Costs



*The 2011 City Public Safety costs include Police, Fire, Emergency Mgmt. & Building Safety and equate to 83.7% of the property tax levy amount

Proposed 2011 Budget Amounts for Essential Services

2011 Recommended Property Tax Levy	\$45,967,888
Minus property taxes allocated to Capital Improvements	<u>-\$1,000,000</u>

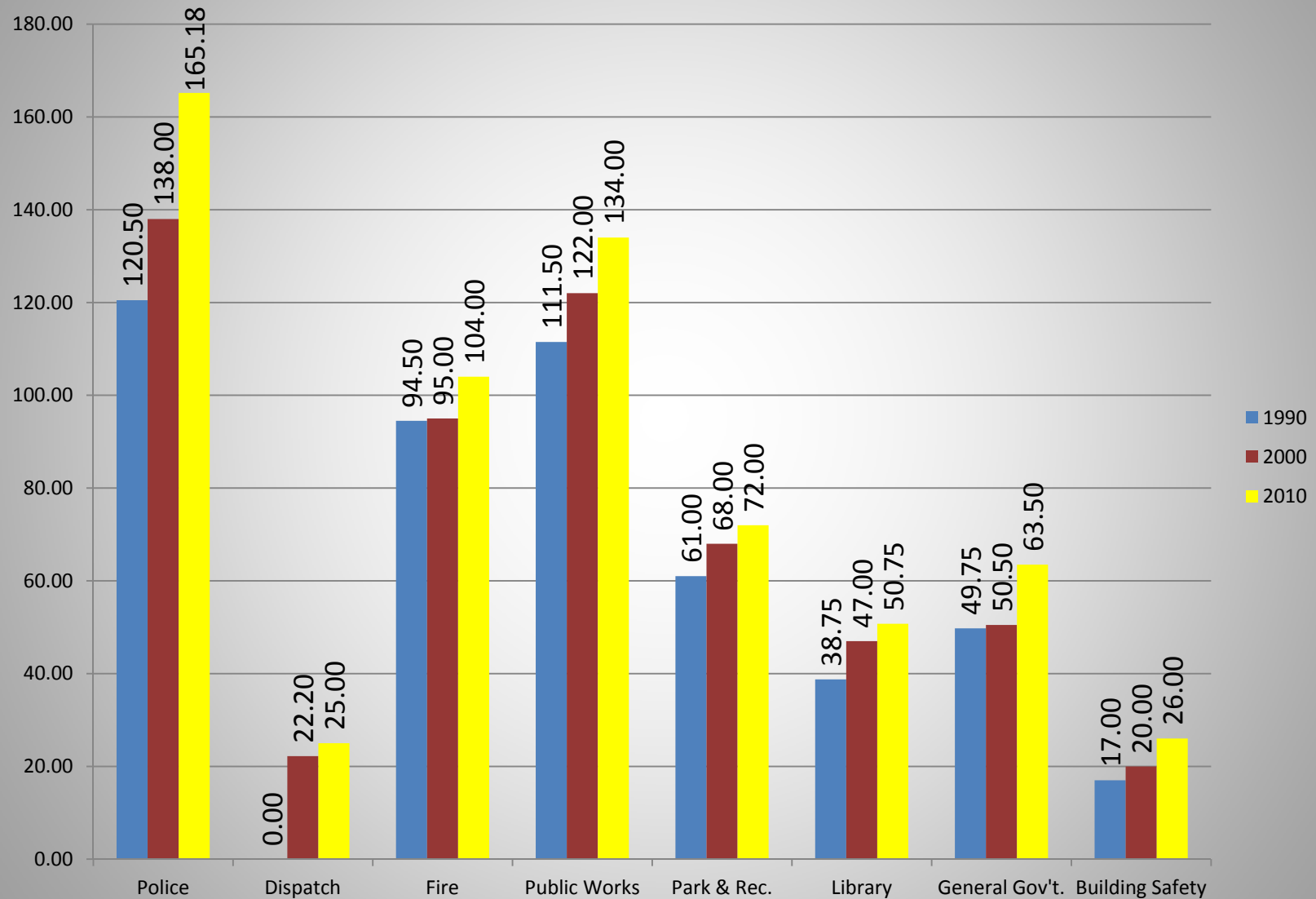
Property Taxes available to fund City service	\$44,967,888
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Proposed expenditures for:

Police Department	\$20,625,482
Fire Department	\$13,196,801
Street Maintenance	\$5,366,684
Traffic Management	\$1,215,877
Street Lighting	<u>\$1,346,600</u>

	\$41,391,444
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Comparison of City Employees by Department between 1990 & 2010



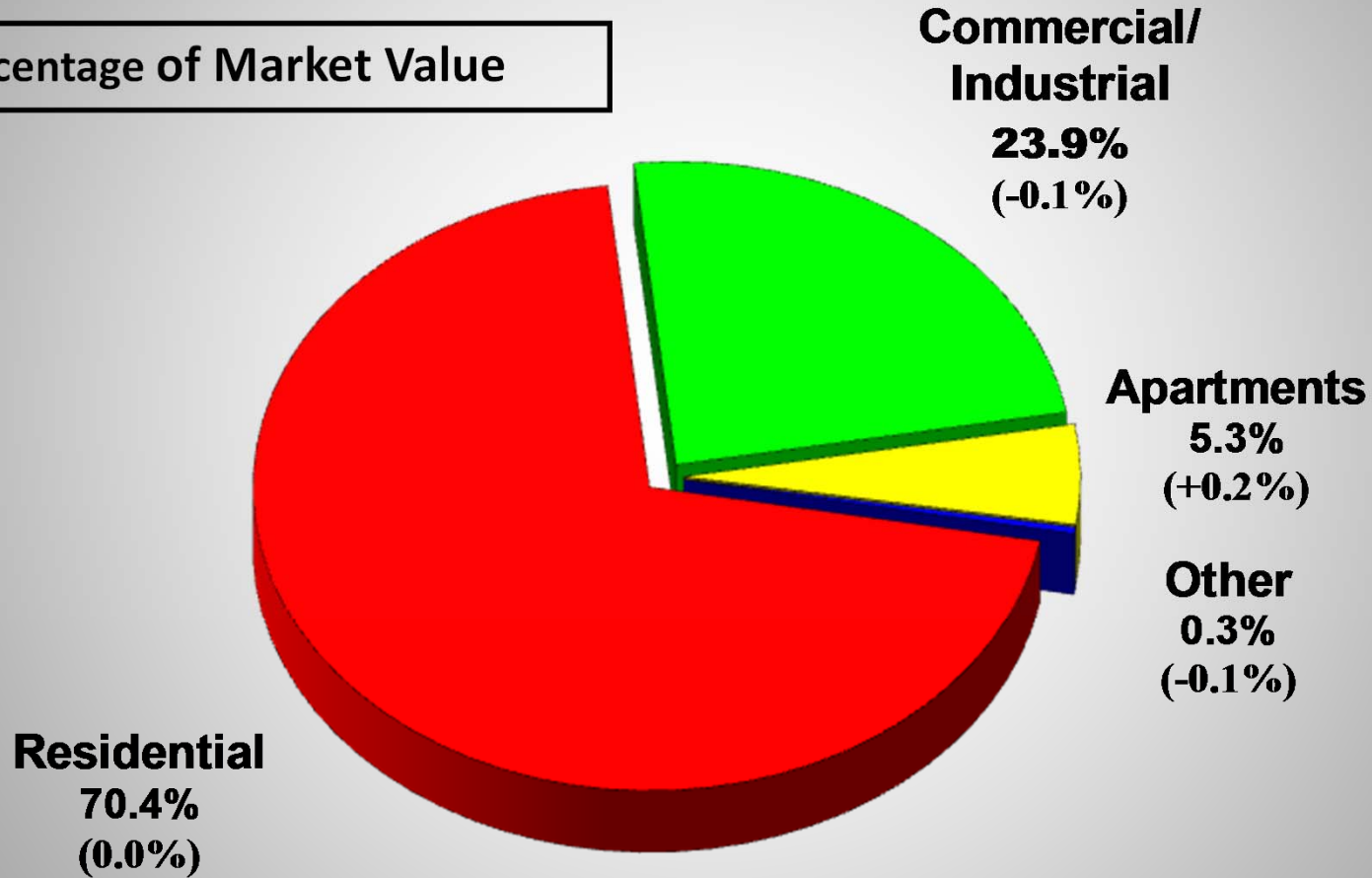
City Employee / Thousand Population Data Comparison

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	104,578	6.19

2011 TAX BASE BY PROPERTY CLASS

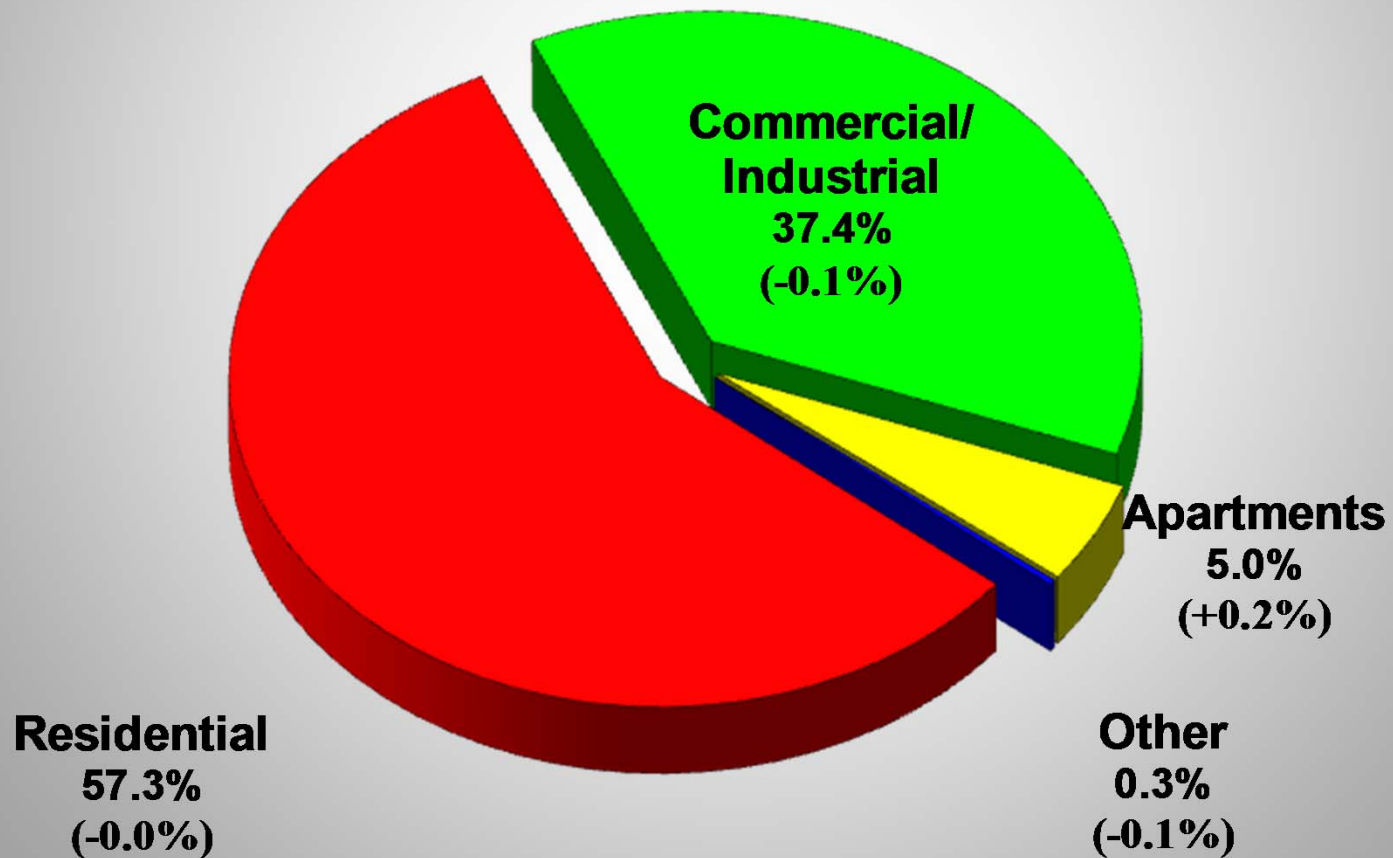
CITY OF ROCHESTER

Percentage of Market Value

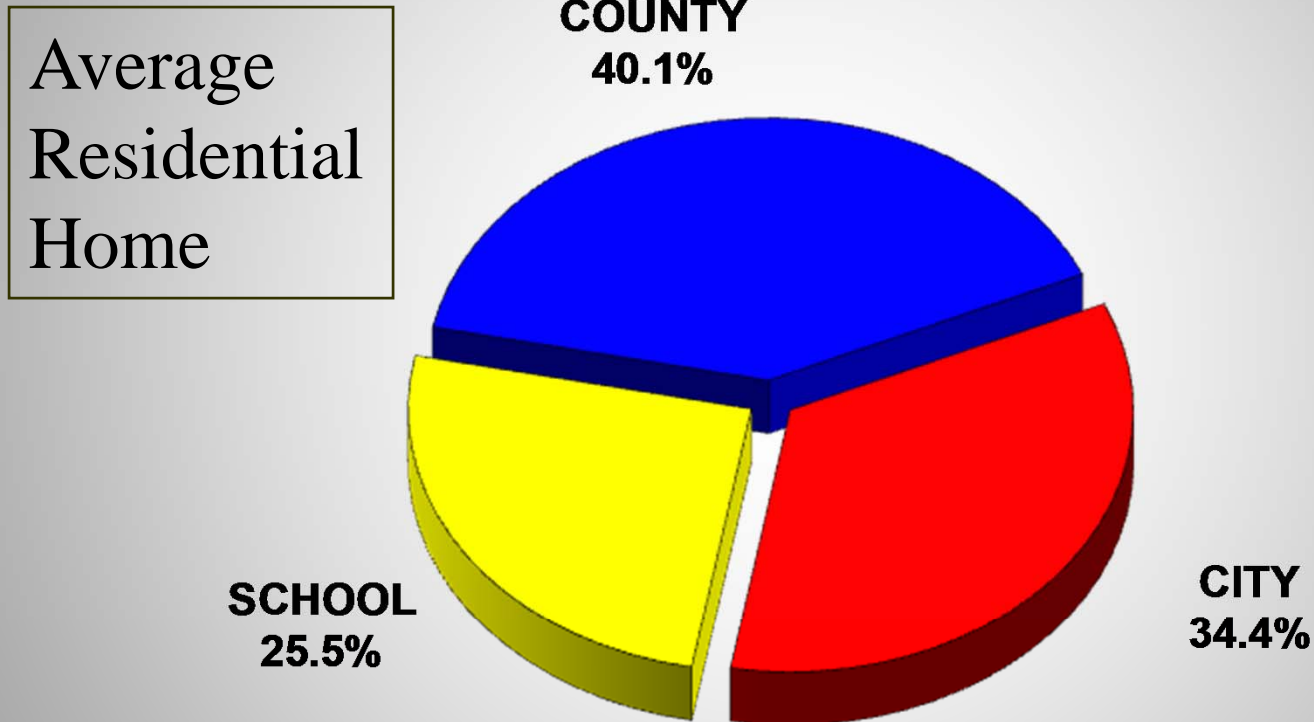


2011 TAX BASE BY PROPERTY CLASS CITY OF ROCHESTER

Percentage of Tax Capacity

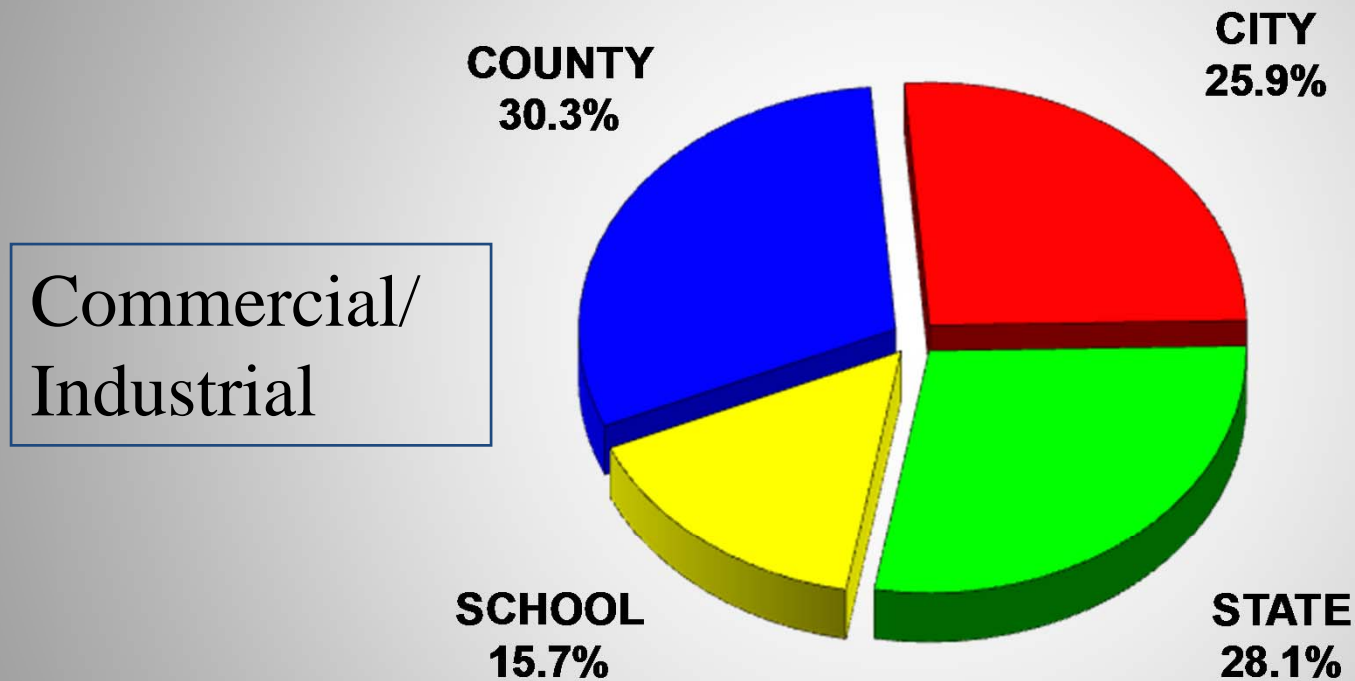


PROPOSED 2011 COMBINED TAX LEVY CITY OF ROCHESTER



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 2011 COMBINED TAX LEVY CITY OF ROCHESTER

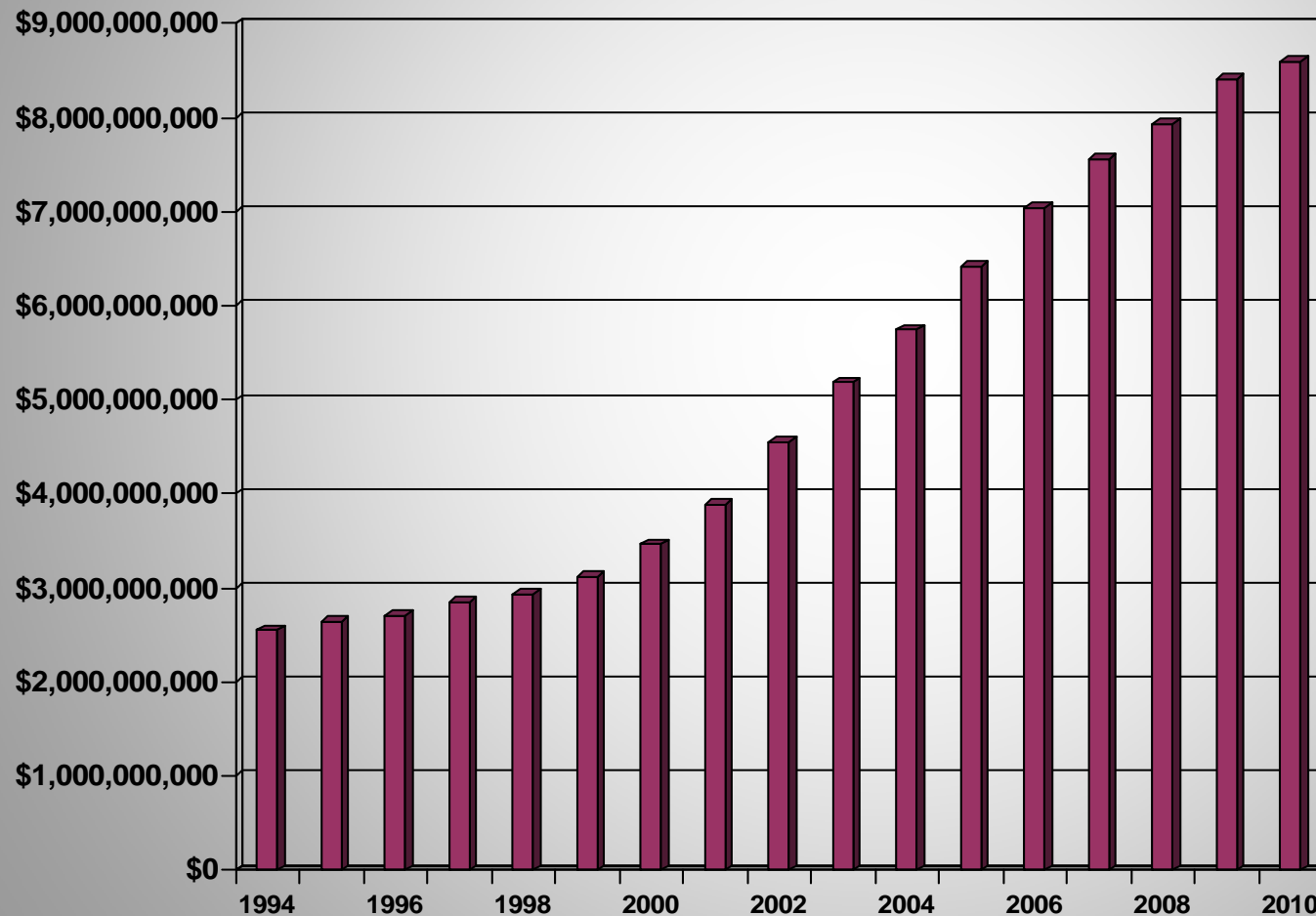


Note: Commercial & Industrial properties began paying a State property tax in 2002

Top 10 Taxpayers – City of Rochester – Pay 2011

Taxpayer	Taxable Market Value	Tax Capacity	% Total City Tax Capacity
Mayo	\$ 292,784,600	\$ 5,780,784	5.50%
Sunstone Properties	\$ 56,288,100	\$ 1,123,512	1.07%
MEPC Apache Properties	\$ 54,607,100	\$ 1,089,892	1.04%
IBM	\$ 41,552,200	\$ 825,239	0.79%
BGD 5 Properties	\$ 34,518,400	\$ 688,118	0.65%
NNN 3050, LLC.	\$ 28,099,700	\$ 560,494	0.53%
IRET Properties	\$ 38,649,900	\$ 528,207	0.50%
Maine Land, LLC.	\$ 26,195,700	\$ 518,664	0.49%
Leslie Nelson	\$ 23,696,200	\$ 454,969	0.43%
Rochester Development, Inc.	\$ 19,671,000	\$ 358,328	0.34%

Estimated Market Value Real and Personal Property



- *Estimated Market Value for 2010 is \$8.6 Billion, up \$179 Million or 2.1% from 2009*

City of Rochester 2011 Proposed Budget Hearing

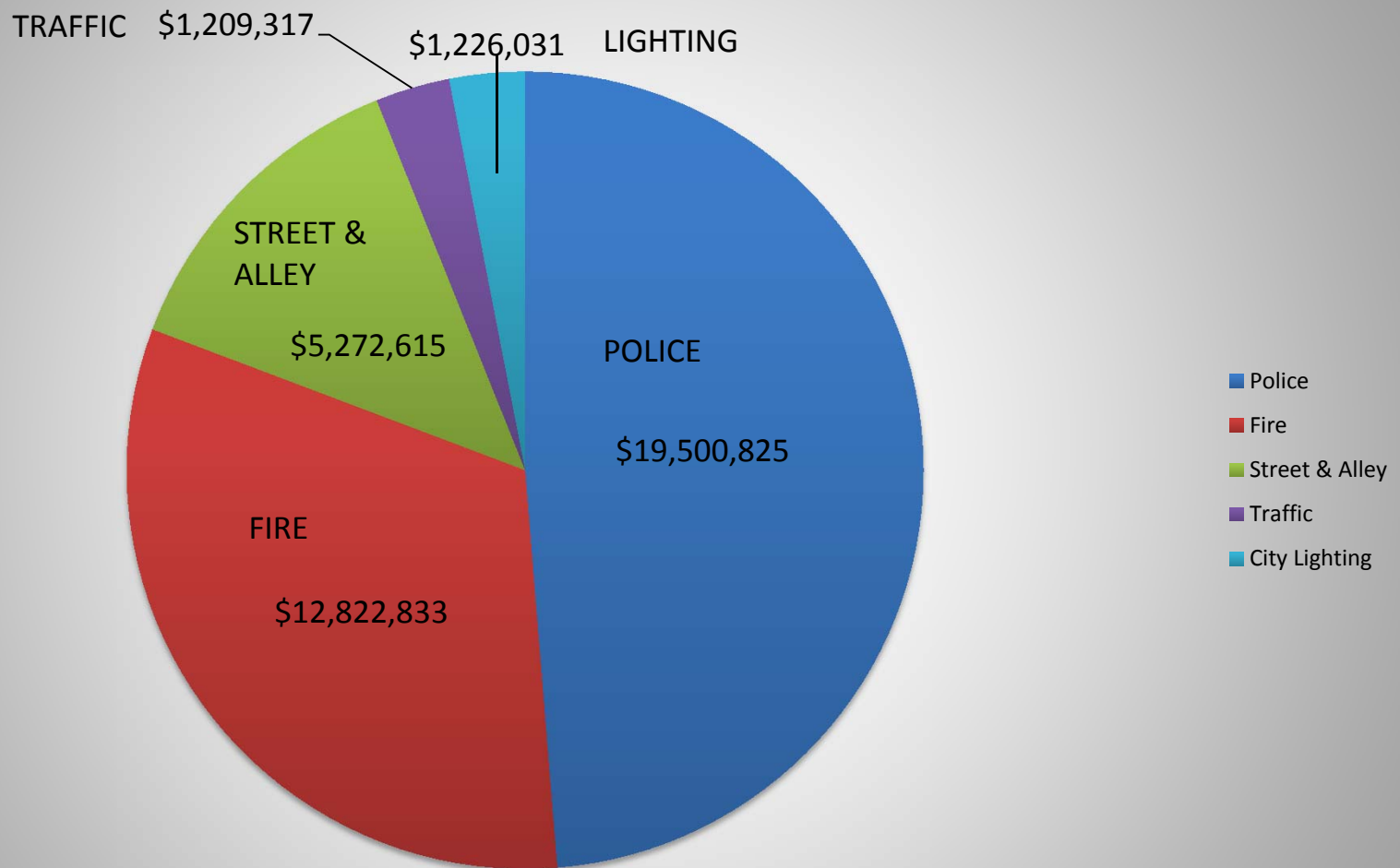


December 6, 2010

2010 City of Rochester Growth Information

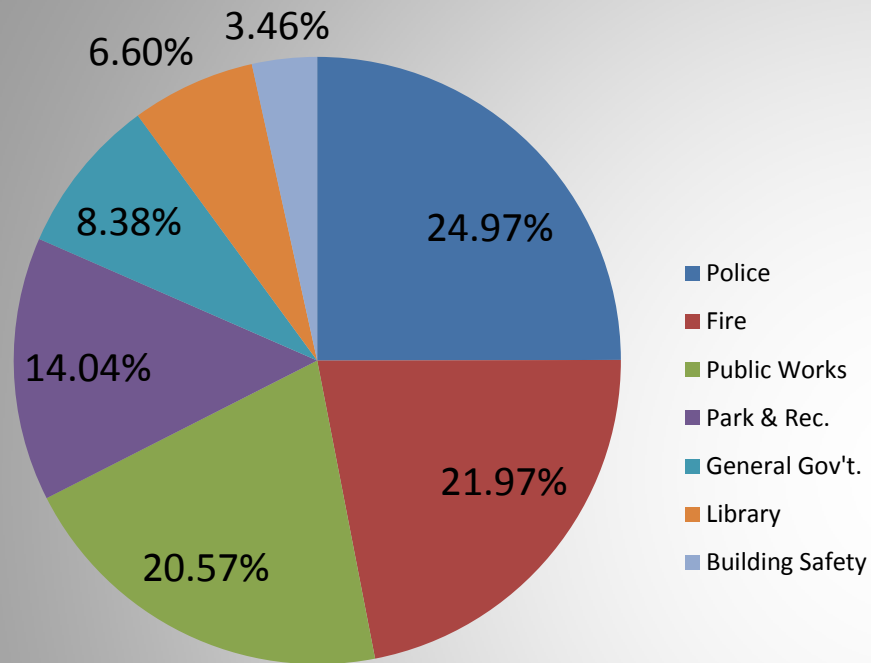
- 1) From 1/1/10 to 10/31/10 building permits were issued for 167 (64 less than 2009) single family dwellings (detached and attached) and 142(10 more than 2009) multi-family dwelling units were issued; to date a total of 309 units (54 less than 2009).
- 2) The 2000 Census had a Rochester population of 85,806 persons. The most recent estimate of population for the City for the year 2010 is 104,578 persons.
- 3) In the calendar year of 2009, the City grew by 288 acres to a City total of 34,470 acres for an area of 53.86 sq. miles. As of this date, the City has annexed 573 acres in 2010 The City is 35,043 acres for an area of 54.75 sq. miles

Proposed 2010 Budget Amounts for Essential Services

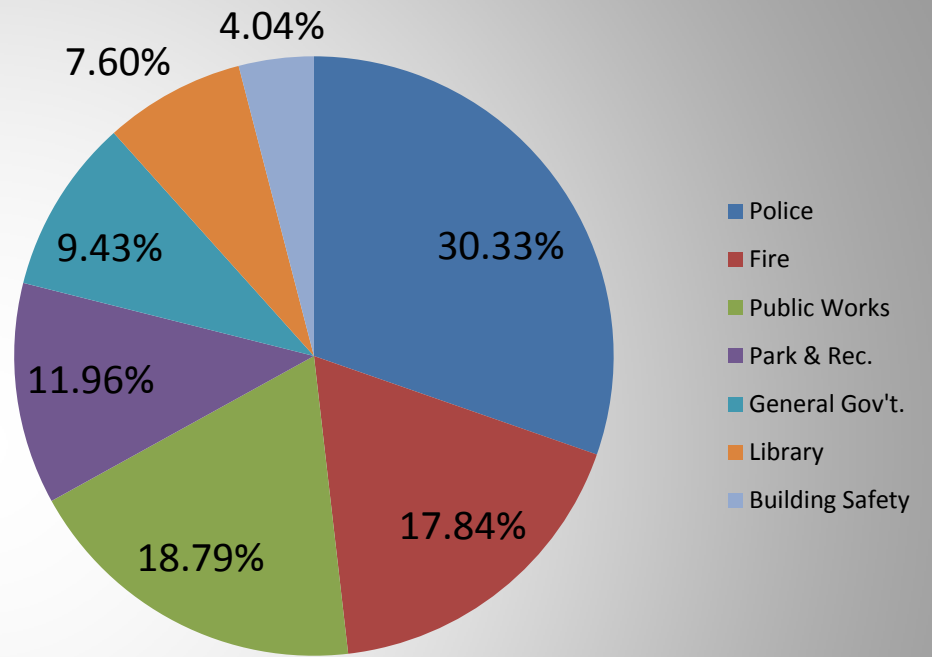


Note that the Police, Fire and Street & Alley Services make up 96.8% of the 2010 Property Tax Levy not attributable to the CIP.

Comparison of % of Employee Services Budget by Department in 1990 & 2009



1990



2009

Rental Housing-4+ Units Combined Tax Bill

\$850,000 Market Value Example

	2010	2011		
Market Value	850,000	850,000	Amount Change	Percent Change
Property Tax:				
City	4,549	4,906	357	7.8%
County	5,588	5,720	132	2.4%
School	3,188	3,264	76	2.4%
Total	13,325	13,890	565	4.2%

Commercial / Industrial Combined Tax Bill

\$750,000 Market Value Example

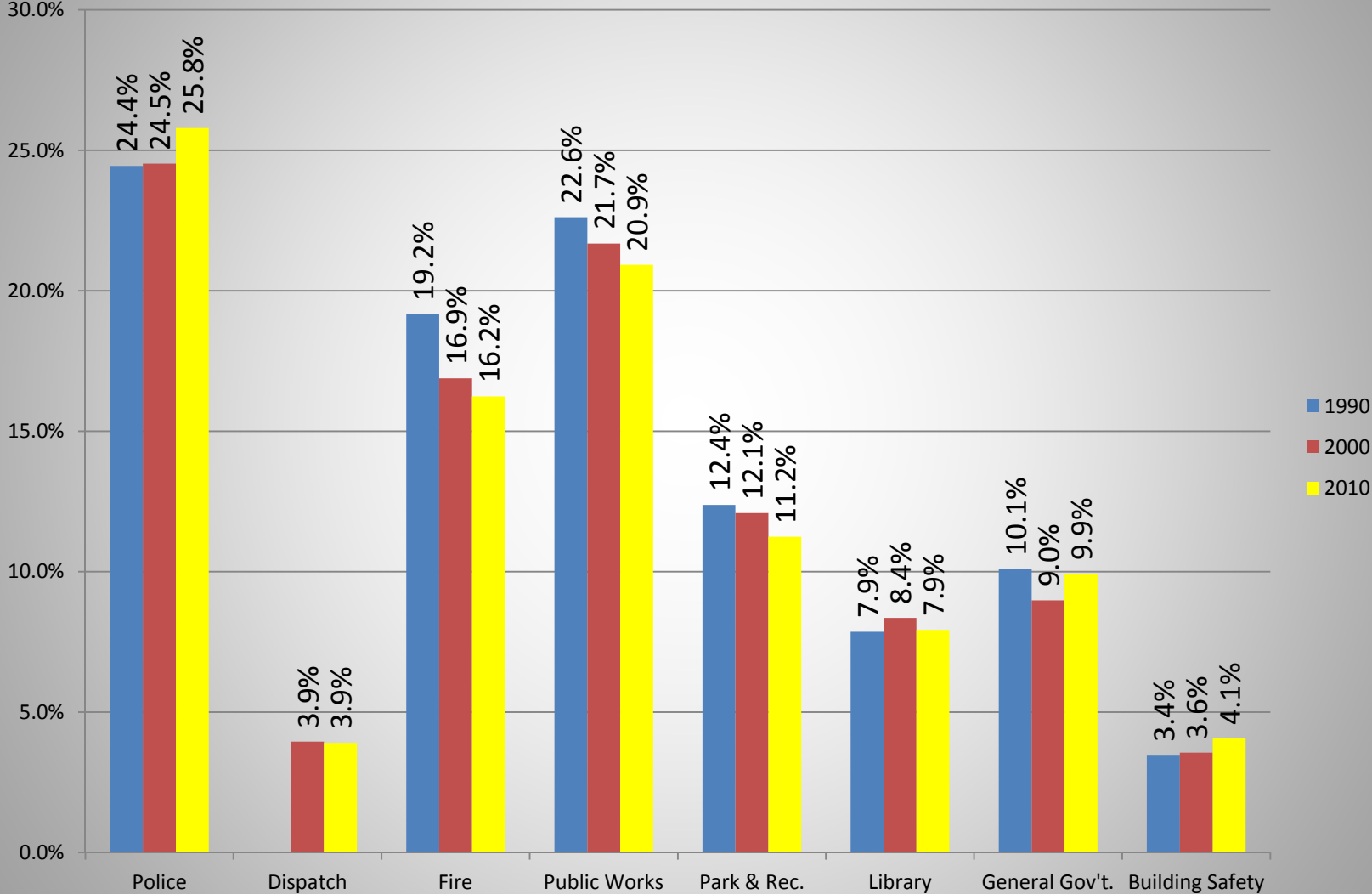
	2010	2011		
Market Value	750,000	750,000	Amount Change	Percent Change
Property Tax:				
City	6,101	6,580	479	7.9%
County	7,495	7,672	177	2.4%
School	3,820	3,949	129	3.4%
State	6,538	7,125	587	9.0%
Total	23,954	25,326	1,372	5.7%

Residential Combined Tax Bill

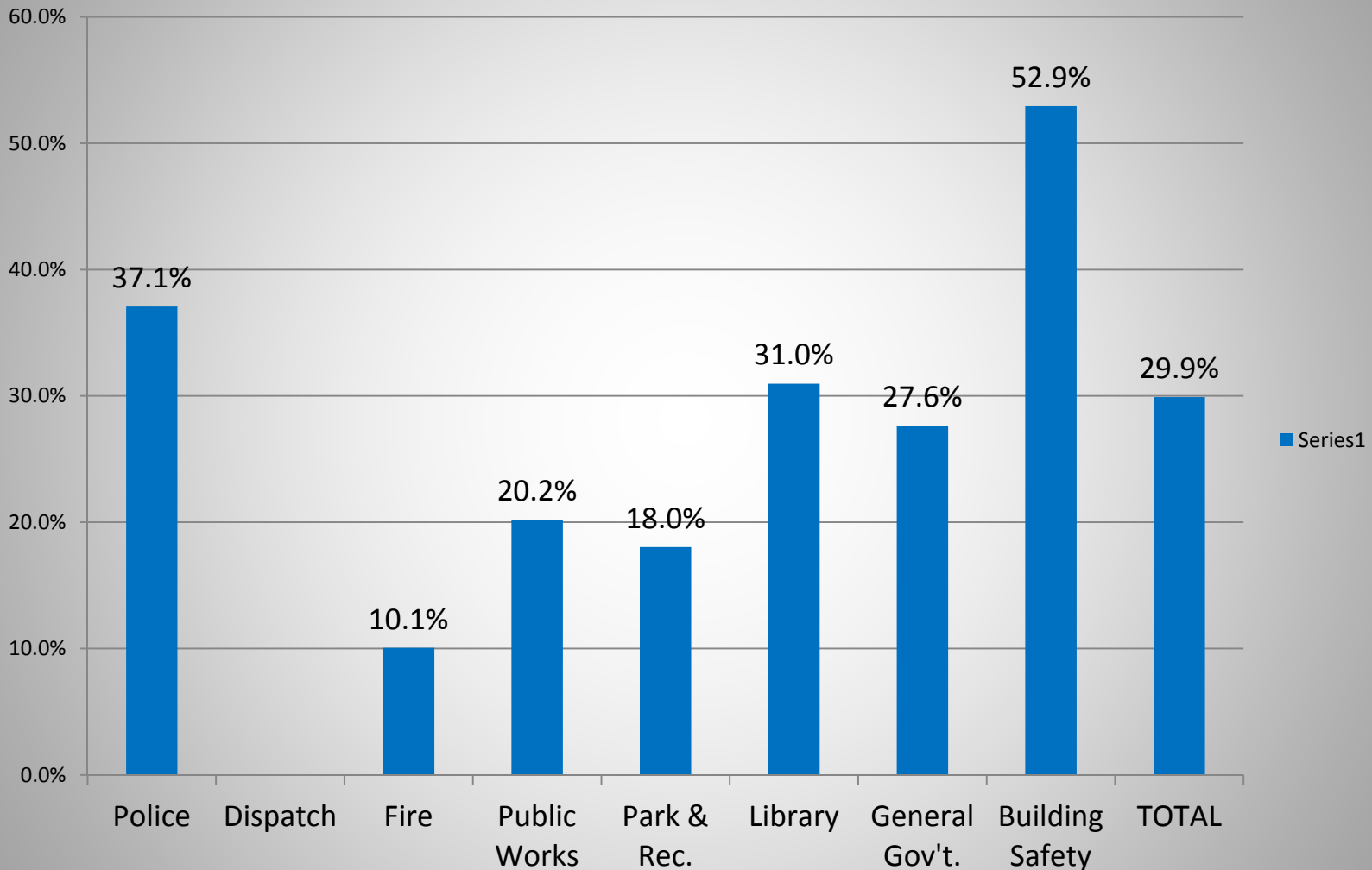
\$170,000 Market Value Example

	2010	2011		
Market Value	170,000	170,000	Amount Change	Percent Change
Property Tax:				
City	647	702	55	8.5%
County	795	818	23	2.9%
School	511	520	9	1.8%
Total	1,953	2,040	87	4.5%

Comparison of the Percentage of City Employees by Department between 1990 & 2010

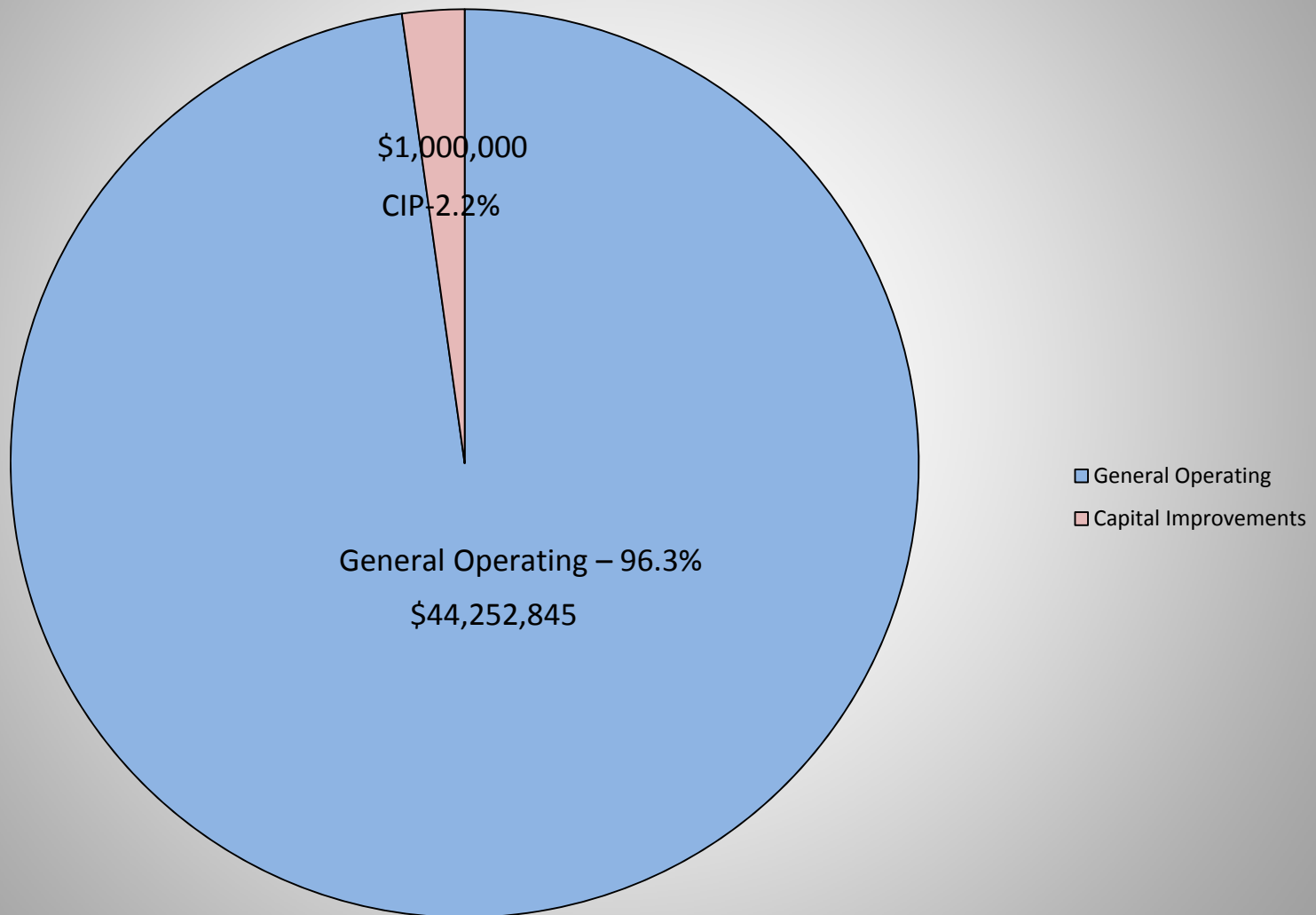


% Increase in number of City Employees by Department between 1990 and 2010

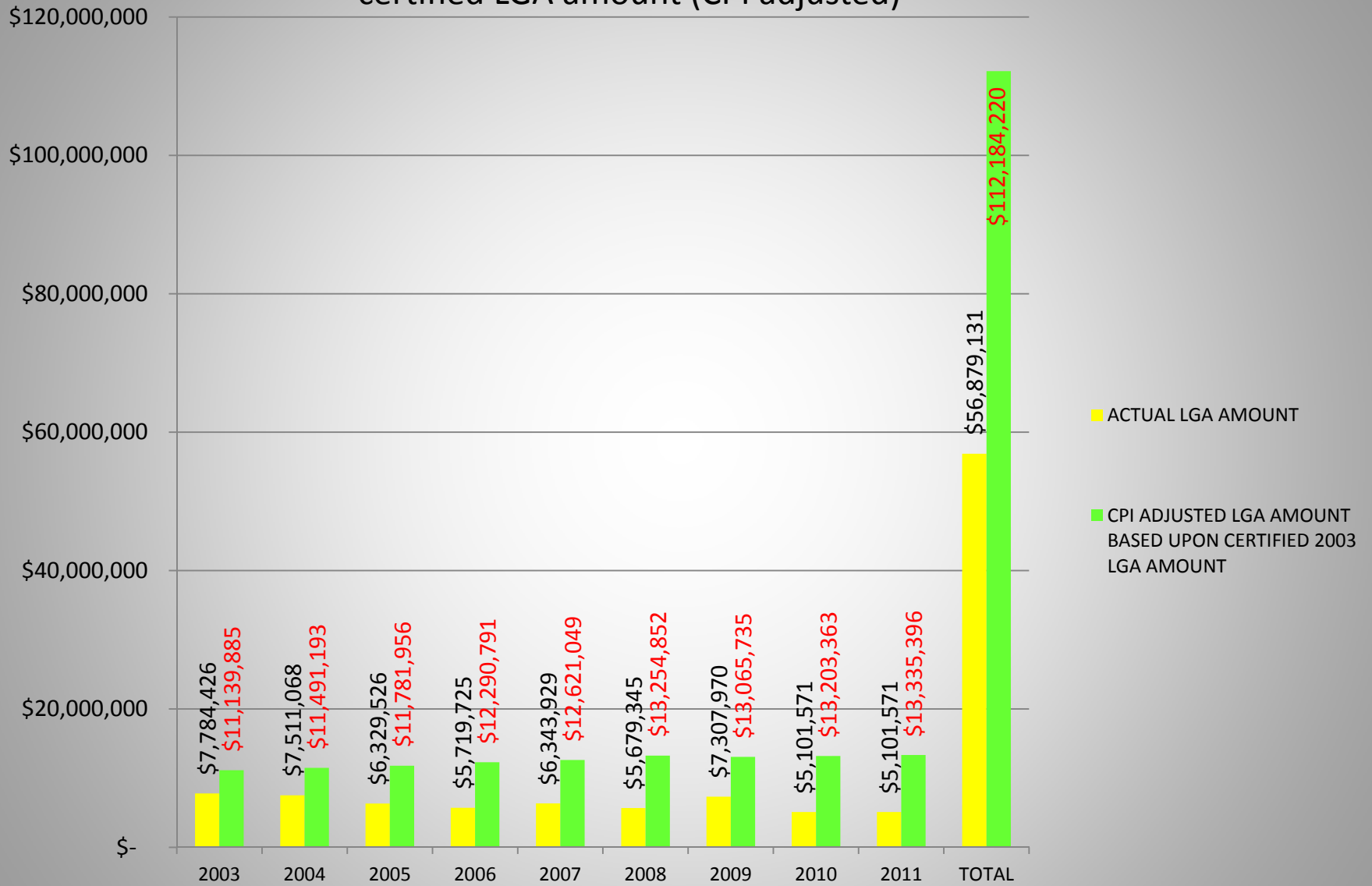


In comparison, the City of Rochester population increased 32.3% in the timeframe from 1990-2010.

Amount of 2011 Property Tax Levy attributed to General Operating Budget and Capital Improvements Program



Comparison of actual LGA amount vs. LGA projections based upon 2003 certified LGA amount (CPI adjusted)



Note: The actual LGA amount represents a 49% loss (\$55,945,689) over LGA amount projected based upon 2003 certified LGA amount

The City's property tax levy increase over 2010
=\$1,643,324 or 3.7% of the proposed tax levy.

In 2010, the City aid cuts =\$5.7 million, which = 12.4% of
the proposed tax levy. The State allowed for the aid cuts
to be levied back.

The proposed levy increase only amounts to 30% of the
aid cut amount.