

**AGENDA
MAPLE PLAIN CITY COUNCIL
TRUTH IN TAXATION
MAPLE PLAIN CITY HALL
December 5, 2016
6:30 P.M.**

- 1. WELCOME**
- 2. CALL TO ORDER**
- 3. PLEDGE OF ALLEGIANCE**
- 4. ADOPT AGENDA**
- 5. TRUTH IN TAXATION PUBLIC HEARING**

6. VISITORS TO BE HEARD

Note: This is a courtesy extended to persons wishing to address the council who are not on the agenda. A completed public comment form should be presented to the city administrator prior to the meeting; presentations will be limited to 3 minutes. This session will be limited to 15 minutes.

7. ADJOURNMENT



Agenda Information Memorandum
December 5, 2016 - Maple Plain City Council

TRUTH AND TAXATION

ACTION TO BE CONSIDERED

A county, city school district or metropolitan special tax district are required to hold a Truth-in-Taxation public hearing. A Truth-in-Taxation public hearing allows resident to express their opinions on the budget and on the proposed property taxes of various agencies.

FACTS

- The City of Maple Plain certified its proposed tax levy for payable in 2016 by September 30 to Hennepin County
- Hennepin County sends a parcel-specific notice of proposed property taxes to each property owner November 11-November 24.
- The City of Maple Plain must adopt their final payable 2016 tax levies and their payable 2016 budgets to the County by December 29.

ATTACHMENTS

Attached are the following items:

- Proposed 2016 Tax Levy

Annually, the city administrator must prepare a budget and present it to the city council. A preliminary budget is considered and the maximum tax levy is adopted in September, with review and discussion of all budgets between September and December, with the final budget and tax levy adopted in December.

Preliminary 2017 Budget

The preliminary 2017 general fund budget is \$1,481,560, which is an increase of \$28,637 over the 2016 budget of \$1,452,923.

Preliminary 2017 Tax Levy

The preliminary tax levy for the general fund is \$1,262,532, which is a \$33,453 or 2.58% decrease over the 2016 general fund levy of \$1,295,985. The total tax levy for 2017, including the general fund, economic development authority and debt service is \$1,487,034. This represents a 1.42% or \$20,811 increase over the 2016 levy of \$1,466,223.

The estimated overall impact of the city tax levy on residential properties ranges from \$44 to \$121 per year for market values between \$106,700 and \$320,200, or an estimated increase of 5.4% to 8.0%.

Tax Levy, Tax Capacity, and Tax Impact

The proposed budget for 2017 reflects a tax levy of \$1,487,034 which is an increase of 1.42%. The following table summarizes the 2017 tax levy compared with 2016:

PROPERTY TAX LEVY - ALL FUNDS COMPARISON OF PROPERTY TAXES				
	2016 Levy	2017 Request	Increase/ (Decrease)	% Change
Program or service				
Base Levy				
General Fund	\$ 1,295,985	1,262,532	(33,453)	(2.58) %
Economic Development Authority	27,500	27,000	(500)	(1.82)
Debt Service				
2012A G.O. Bonds	16,958	16,538	(420)	(2.48)
2013A G.O. Bonds	52,490	52,028	(462)	(0.88)
2014A G.O. Bonds	73,290	73,770	480	0.65
2016A G.O. Bonds (Govt)	-	36,204	36,204	100.00
2016A G.O. Bonds (Enterprise)	-	18,962	18,962	100.00
Total Property Taxes	\$ 1,466,223	1,487,034	20,811	1.42 %

The city-wide tax capacity represents the taxable property value within the city. It is determined by applying the state-wide property tax formula for each parcel, then adding each parcel's tax capacity. The city-wide tax capacity is then applied to the proposed levy to determine the local tax rate.

The following table summarizes the tax rates:

	<u>Payable 2015</u>	<u>Payable 2016</u>	<u>Payable 2017</u>
Tax Capacity	\$ 1,850,160	1,975,280	2,042,454
Area-Wide Contribution	(308,072)	(316,256)	(334,705)
Net Tax Capacity	\$ <u>1,542,088</u>	<u>1,659,024</u>	<u>1,707,749</u>
Certified Levy	\$ 1,415,305	1,466,223	1,487,034
Area-Wide Distribution	(169,714)	(191,837)	(201,401)
Local Levy	\$ <u>1,245,591</u>	<u>1,274,386</u>	<u>1,285,633</u>
Tax Rate Trends	<u>2015</u>	<u>2016</u>	<u>2017</u>
City Tax Rate	80.77 %	76.82 %	75.28 %
County Tax Rate	46.40 %	45.36 %	45.36 % (1)
School Tax Rate	22.60 %	23.17 %	23.17 % (1)
Other Tax Rate	9.79 %	9.53 %	9.53 % (1)
Total Tax Rate	<u>159.56 %</u>	<u>154.87 %</u>	<u>153.33 %</u>

The above tax rates are for non-watershed district properties.

2017 Proposed Values and Tax Capacity - Hennepin County Assessor's Dept.

(1) Amounts are estimated for county, school and other tax rates for 2017.

The following table summarizes the estimated tax impact on residential homes based on the proposed increase in the City tax levy and the assumption that a homes' value is increasing by 6.74%, which is the median amount.

<u>Value of Property for Pay 2016</u>	<u>Value of Property for Pay 2017</u>	<u>Taxable Market Value Pay 2017</u>	<u>City Tax 2016 Actual</u>	<u>City Tax 2017 Estimated</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
\$ 100,000	\$ 106,700	\$ 79,100	\$ 552	\$ 595	\$ 44	8.0 %
150,000	160,100	137,300	970	1,034	63	6.5 %
193,000	206,000	187,300	1,330	1,410	80	6.0 %
250,000	266,800	253,600	1,807	1,909	102	5.6 %
300,000	320,200	311,800	2,226	2,347	121	5.4 %

The median home value for pay 2017 is \$206,000. The 2017 estimated tax represents a 6.74% increase in market value as the median change in residential market values.

2017 PROPOSED LEVY CERTIFICATION

State of Minnesota

County of Hennepin

Taxing Jurisdiction of Maple Plain

I, Robert Schoen Clerk of said Taxing Jurisdiction of Maple Plain hereby certify that the following Resolution was passed by the governing body of said Taxing Jurisdiction at a duly convened meeting held in said Taxing Jurisdiction on September 26, 2016.

On motion it was resolved that the following sums of money be raised by tax upon the taxable property in said Taxing Jurisdiction for the following purposes for the current year:

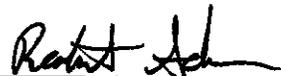
LEVY ITEM	CERTIFIED LEVY*
1. General Revenue	1,289,532
2. Bonded Indebtedness**	197,502
3. Sewer District	
A. Total Tax Capacity Based Levy	1,487,034
B. Market Value Based Referendum Levy	\$
C. Total Tax Capacity and Market Value Based Levies	1,487,034

* The levy amount by line item should already be reduced by Local Government Aid (LGA) and other resources used to finance your Taxing Jurisdiction's budget.

** Provide a breakdown of the certified levy by individual bond on the reverse side.

I further certify that I have compared the foregoing with the original entry of the minutes of the Meeting so held September 26, 2016 as the same are recorded in the Book of Records of said Taxing Jurisdiction, and that the same is a correct transcript therefrom.

Given under my hand this 27th day of September, 2016.


Taxing Jurisdiction Clerk

LEVY CERTIFICATION Debt Service Schedule

Bond Description	Certified Levy
2012A G.O. Bonds	\$ 16,538
2013A G.O. Bonds	52,028
2014A G.O. Bonds	73,770
2016A G.O. Bonds (Government)	36,204
2016A G.O. Bonds (Enterprise)	18,962
Debt Service Total **	\$ 197,502

** This must match the totals for Debt Service reported on the front.

Per M.S. 475.61 all debt must be accounted for in your resolution. If the amount levied is less than the required amount from the payment schedule for the bond, you must pass a resolution stating that you have sufficient funds for that bond. This can be included in the same resolution with your levy. You must submit your resolution with this certification form.

RESOLUTION NO. 16-0926-01

**RESOLUTION APPROVING 2017 PROPOSED GENERAL FUND BUDGET, 2017
PRELIMINARY PROPERTY TAX LEVY, AND SETTING PUBLIC HEARING DATE
FOR THE 2017 BUDGET AND PROPERTY TAX LEVY**

WHEREAS, the City of Maple Plain is required by State law to approve a resolution setting forth an annual tax levy to the Hennepin County Auditor; and

WHEREAS, Minnesota Statutes require approval of a preliminary property tax levy and preliminary budget on or before September 30th of each year; and

WHEREAS, the City Council has received the proposed budget document;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Maple Plain, that the Preliminary 2017 General Fund budget shall be as follows:

General Fund <i>Summarized</i>	2017 Budget
Revenues	\$ 1,685,775
Expenditures	(1,481,560)
Other Financing Sources (Uses)	(204,215)
Net Change in Fund Balance	\$ -

BE IT FURTHER RESOLVED that the Truth in Taxation Public Hearing will be held on December 12, 2016; and

BE IT FURTHER RESOLVED that the City Council of the City of Maple Plain, Hennepin County, Minnesota, that the following sums of money be levied for collection in 2017 upon the taxable property in said City of Maple Plain for the following purposes:

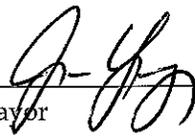
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Total City Levy	\$ 1,466,223	1,487,034	20,811	1.42 %

BE IT FURTHER RESOLVED that the debt service tax levies have been adjusted or cancelled based on the City's review of its debt service levy requirements. The following adjustments have been made to the debt levies:

Bond Issue	Levy Requirement	Adjustments	Proposed Levy
GO Bonds 2012A	\$ 21,138	(4,600)	16,538
GO Bonds 2013A	47,628	4,400	52,028
GO Imp Bonds 2014A	70,770	3,000	73,770
GO Bonds 2016A (Govt)	-	36,204	36,204
GO Bonds 2016A (Enterprise)	-	18,962	18,962
Totals	\$ 139,536	57,966	197,502

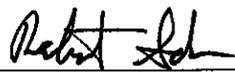
BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to transmit this information to the County Auditor of Hennepin County, Minnesota and the Minnesota Department of Revenue, if applicable, in the format requested as required by law.

Adopted by the Maple Plain City Council on September 26, 2016.



 Mayor

Attest:



 City Administrator