
**LEVANDER,
GILLEN &
MILLER, P.A.**

ATTORNEYS AT LAW

ROGER C. MILLER
TIMOTHY J. KUNTZ
DANIEL J. BEESON
ROLLIN H. CRAWFORD
*KENNETH J. ROHLF
◊STEPHEN H. FOCHLER
✦JAY P. KARLOVICH
ANGELA M. LUTZ AMANN
*KORINE L. LAND
ANN C. O'REILLY
◻*DONALD L. HOEFT
DARCY M. MOHR
ROBIN M. HENNIX
JON R. STECKLER
DAVID S. KENDALL
•
HAROLD LEVANDER
1910-1992
•
ARTHUR GILLEN
RETIRED
•

*ALSO ADMITTED IN WISCONSIN
✦ALSO ADMITTED IN NORTH DAKOTA
◊ALSO ADMITTED IN MASSACHUSETTS
◻ALSO ADMITTED IN OKLAHOMA

MEMO

**TO: Sunfish Lake Mayor and Councilmembers
Sunfish Lake Consultants**

FROM: Timothy J. Kuntz, City Attorney

DATE: August 31, 2016

**RE: Resolution Setting Not-to-Exceed Tax Levy for Collection in 2017
September 6, 2016, Council Meeting (Agenda Item 8(a))**

Section 1. Background. All cities must adopt and file with the County a proposed “not-to-exceed” tax levy sometime on or before September 30, 2016.

Because Sunfish Lake is over 500 in population, the City must announce the meeting at which the budget and levy will be discussed and the public will be allowed to comment. The public comment must be allowed at a meeting that is held after November 24, 2016 at or later than 6 p.m. The announcement of the meeting must be noted in the meeting minutes. The City must also notify the county auditor of the time and place of the meeting, provide a phone number taxpayers may use to contact the City for more information, and a mailing address at which the City can receive comments. At or following the public comment meeting, the City may adopt a budget and certify the final levy. The City must certify the final levy on or before December 28, 2016.

This year, the timeline for the truth-in-taxation process is as follows:

On or before September 30, 2016:

- At the September 6, 2016, meeting, the City Council should adopt the proposed property tax levy and announce the time and place of a future City Council meeting at which the budget and levy will be discussed and public input allowed, prior to final budget and levy determination. This public input meeting must occur after November 24, 2016, and must start at or after 6 p.m. The time and place of the public input meeting must be included in the September 6, 2016, Council meeting minutes, but newspaper publication of the minutes is **not** required. The date for the future meeting could be the regularly scheduled December 6, 2016, City Council meeting.

- The City Treasurer must inform the Dakota County Auditor of the “not-to-exceed” proposed levy.
- The City Treasurer must provide the Dakota County Auditor with the following:
 - a. The time and place of the meeting at which the budget and levy will be discussed and public input allowed (December 6, 2016, at 7:00 p.m.)
 - b. A phone number that city taxpayers may call if they have questions related to the County Auditor’s property tax notice.
 - c. An address where comments will be received by mail.

From November 11, 2016, to November 24, 2016:

- Dakota County Auditor prepares and sends parcel-specific notices.

From November 25, 2016, to December 28, 2016:

- City holds meeting on December 6, 2016, at 7:00 p.m. to discuss the budget and property tax levy and, before a final determination, allow public input.

On or before December 28, 2016:

- Following adoption of the budget at the December 6, 2016 meeting, the City Treasurer must certify the final property tax levy to the Dakota County Auditor and file the certificate of compliance (form TNT) with the Department of Revenue.

Section 2. Council Action. At the August 2, 2016 Council meeting, the Council agreed that the tax rate for 2017 should be increased from .25577% to .26000%. City Treasurer Ann Lanoue explained that the increase in the tax rate would provide an additional \$42,000 to the 2017 budget for a total of \$472,236. The City Treasurer further explained that the increase would provide \$25,000 for work on the Comprehensive Plan update (which is required every 10 years) and the remaining funding would be placed in the reserve fund.

Accordingly, the 2017 not-to-exceed general property tax levy has been set at \$472,236, with the improvement bond debt retirement set at \$41,827 for a total net not-to-exceed levy of \$514,063.

At the September 6, 2016, City Council meeting, the Council will be asked to consider the following:

1. Set a “not-to-exceed” tax levy by way of the attached Resolution Setting Not-to-Exceed Tax Levy for Collection in the Year 2017.

2. Set the regular meeting date of December 6, 2016, as the date at which public input will be taken.
3. Set the regular meeting date of December 6, 2016, as the date at which the Council will adopt the final budget and set the tax levy.
4. Post the attached Notice of Meeting to Consider the 2017 Budget and Tax Levy on the City website and at St. Anne's Episcopal Church prior to the December 6, 2016, meeting.

Attachments

**NOTICE OF MEETING TO CONSIDER BUDGET AND TAX LEVY FOR
THE CITY OF SUNFISH LAKE, MINNESOTA FOR YEAR 2017**

PLEASE TAKE NOTICE, the City Council of the City of Sunfish Lake will discuss and vote on the budget and property taxes for the year 2017 at the regularly scheduled City Council meeting on the following date:

- December 6, 2016, at 7:00 p.m. at St. Anne's Church located at 2035 Charlton Road (Highway 110 at Charlton Road) in the City of Sunfish Lake.

All citizens are invited to attend the meeting and express their opinions on the proposed budget and property taxes payable in the year 2017. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2017.
- 2.) Receive public comment on the proposed budget and property tax levy for 2017.
- 3.) Determine and approve the final budget and property tax levy for 2017.

All written and oral comments will be considered at the meeting.

If you have questions in advance of the meeting about the budget and tax levy you may call City Treasurer, Ann Lanoue, at (651) 338-3756. If you wish to submit written comments in advance of the meeting you may mail them to City Clerk, Catherine Iago, at 7378 Jordon Avenue South, Cottage Grove, MN 55016.

/s/

Catherine Iago, City Clerk

**CITY OF SUNFISH LAKE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 16-_____

**RESOLUTION SETTING NOT-TO-EXCEED
TAX LEVY FOR COLLECTION IN THE YEAR 2017**

WHEREAS, State law requires that prior to September 30, 2016, the City of Sunfish Lake set a not-to-exceed tax levy for collection in the year 2017.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SUNFISH LAKE, MINNESOTA:

The City hereby sets the not-to-exceed tax levy for collection in the year 2017 as follows:

General Fund:

Not-to-Exceed General Property Tax Levy	\$472,236
-----------------------------------------	-----------

Bond Retirement

Not-to-Exceed Improvement Bond Debt Retirement	<u>\$41,827</u>
------------------------------------------------	-----------------

Total Not-to-Exceed Levy	\$514,063
--------------------------	-----------

Less HACA and LGA	<u>-\$0.00</u>
-------------------	----------------

Final Net Not-to-Exceed Levy	\$514,063
-------------------------------------	------------------

The City Council of the City of Sunfish Lake will discuss and vote on the budget and property taxes for the year 2017 at the regularly scheduled City Council meeting on December 6, 2016, at 7:00 p.m. at St. Anne's Church located at 2035 Charlton Road (Highway 110 at Charlton Road) in the City of Sunfish Lake.

All citizens are invited to attend the meeting and express their opinions on the proposed budget and property taxes payable in the year 2017. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2017.
- 2.) Receive public comment on the proposed budget and property tax levy for 2017.
- 3.) Determine and approve the final budget and property tax levy for 2017.

All written and oral comments will be considered at the meeting.

Passed this 6th day of September, 2016, by the City Council of Sunfish Lake.

Molly Park, Mayor

ATTEST:

Catherine Iago, City Clerk

City of Sunfish Lake
Budget Analysis
All Funds
Year 2017

08/31/18

Proposed
2017

	2015	2016	Actual to 7/31/2016	2016 Full yr estimate As of 7/31	2016 Budget	Difference	2017 Budget	Change	% Change	Non Levy Items-	
										General	Special
Revenues											
Property taxes - current	\$ 387,197	\$ 430,023	\$ 228,568	\$ 443,578	\$ 13,556	\$ 472,251	\$ 42,228	8.3%			
Property taxes - delinquent	3,905	0	5,771	5,771	5,771	0	0	0.0%			
Grants	1,100	1,100	1,100	1,100	0	1,100	0	0.0%		1,100	Recycle Grant \$1,100
Other grants	12,940	0	0	0	0	0	0	-100.0%			
Other taxes	1,413	1,400	1,555	1,555	155	1,500	100	6.7%		1,500	Small Cities Assistance M.S. 162.145 - 2015 only
Gross permits & plan checks	49,738	24,000	29,952	37,000	13,000	24,000	0	0.0%		24,000	NDC4 Franchise Fee
Surtax revenue	2,054	420	1,185	2,000	1,580	420	0	0.0%		420	Per Building Inspector
Changes for City services	0	3,000	605	2,000	(1,000)	3,000	0	0.0%		3,000	Includes Arbor Day Receipts
Fees	1,712	600	1,246	1,500	900	1,000	400	40.0%		1,000	
Interest income	7,297	3,000	6,299	7,500	4,500	6,000	3,000	50.0%		6,000	
Subtotal-General and Surtax	467,356	453,543	273,280	502,005	38,462	509,271	45,728	8.0%		37,020	
Special Assessments	28,364	25,819	14,140	27,045	1,235	18,643	(7,167)	-38.4%		18,643	Acorn
Bond Fund Levy	39,043	41,461	21,633	42,364	903	41,827	366	0.9%		41,827	Salmon
Assessments-Interest	0	0	3	2,029	0	0	0	-100.0%		0	28,100
Bond Proceeds	0	0	0	0	0	0	0	0.0%		0	1,100
Total Revenues	534,763	550,814	309,096	673,443	40,600	559,741	36,927	6.8%		134,510	2014
											10,250
											19,727
											3,892
Expenditures											
Council expenses	0	400	0	400	0	400	0	0.0%			
Publishing-printing & advertising	1,011	2,400	1,203	2,400	0	2,400	0	0.0%			Includes attorney publications
Mayor	2,525	878	363	878	0	878	0	0.0%			
City Administrator	5,553	5,400	3,372	5,800	200	5,400	0	0.0%			2016 estimated +3%
City Clerk	14,095	14,300	8,575	14,534	234	14,970	870	4.5%			2015 estimated +3%
Elections	5,239	9,500	0	9,500	0	9,500	0	0.0%			
Postage	537	600	218	498	(132)	600	800	0.0%			
Treasurer	20,497	20,300	12,101	20,560	260	21,200	900	4.2%			2016 estimated +3%
Bank charges	80	120	0	0	(120)	120	0	0.0%			Same
City Attorney	32,241	34,000	22,350	37,817	3,517	34,000	0	0.0%			Per City Attorney
City Planner	37,397	30,000	22,508	35,007	5,007	55,000	25,000	45.5%			Includes \$25000 for Comp. Plan Update
Police	97,751	99,750	58,188	99,750	0	102,198	2,448	2.4%			Per Bud Shaver - 2.5%
Fire protection	36,529	40,100	19,971	39,942	(158)	45,000	4,900	10.9%			Per Kristen Schabacker-Mendoza Height schedule-budget not complete
Signal lighting	80	90	15	60	(30)	90	0	0.0%			
Due to City Inspector	37,065	19,200	22,599	30,600	11,400	19,200	0	0.0%			80% of Permit income
Septic system administration	886	450	0	450	0	450	0	0.0%			Same

Attachments 8a

City of Sunfish Lake
Budget Analysis
All Funds

	2015	2016	2016		2016	2017	2017	Lewy \$	Tax Rate
			Actual	Budget					
Year 2016									
City Engineer	34,005	26,000	15,870	26,704	704	32,000	18.8% Monthly, NPDES, LGU Role, Mapping & General	Unchanged	7.87%
Road maint/capital improve	12,183	15,800	11,079	15,879	179	15,800	-48.1% Street sweeping, sign replacement (GJR), bituminous & shoulder maintenance	Unchanged	0.88%
Capital Improvements	0	57,000	4,896	57,800	0	53,500	-6.5% Bituminous seal coating & 2017 roadway improvements, culvert cleaning	Unchanged	0.88%
Chariton road maint	8,271	9,450	3,630	8,355	(1,095)	10,400	8.1% Gravel, grading & dust control	Unchanged	0.00%
Street lighting	580	800	307	580	(40)	800	0.0%	Unchanged	0.00%
Sign maintenance/mark	1,281	500	80	80	(420)	500	0.0%	Unchanged	0.00%
Snow removal - [GH	0	3,000	0	0	(3,000)	3,000	0.0% Per City Engineer	Unchanged	0.00%
Snow removal - other	15,047	30,000	24,155	30,000	0	32,000	6.3% Per City Engineer	Unchanged	0.00%
City Forester	20,050	19,600	5,346	15,807	(3,693)	19,600	0.0% Per Jim Naves-no change	Unchanged	0.00%
Forestry expenses	4,800	4,800	3,139	8,051	(1,749)	4,800	0.0% Per Jim Naves-no change-expenses includes Arbor Day trees	Unchanged	0.00%
Deer management	0	450	305	480	0	450	0.0%	Unchanged	0.00%
Water quality/Comprehensive Plan	7,087	1,400	2,368	2,368	968	1,250	-12.0% Camp program & public education materials	Unchanged	0.00%
Insurance	1,261	2,800	450	2,300	(500)	2,800	0.0% League of MN Cities, Workers Comp	Unchanged	0.00%
Memberships	3,757	4,400	2,581	4,194	(208)	4,400	0.0% League of MN Cities, Lower Mississippi, Metro, et al	Unchanged	0.00%
Rent	2,078	2,300	1,540	2,498	198	3,240	29.0% Per lease agreement with St. Arner's Church	Unchanged	0.00%
Office Supplies & Expense	1,055	1,440	721	1,321	(119)	1,440	0.0%	Unchanged	0.00%
Surtax payments	2,108	420	1,221	1,326	906	420	0.0%	Unchanged	0.00%
Website Expenses	360	360	0	360	0	360	0.0% Webmaster	Unchanged	0.00%
Miscellaneous	2,290	0	307	307	307	0	0.0%	Unchanged	0.00%
Subtotal-General & Surtax	404,424	455,792	248,380	469,410	13,618	490,749	34.957%	Unchanged	0.00%
Bond Interest	21,424	15,022	15,022	14,879	(43)	12,883	-15.6% Per bond schedules	Unchanged	0.88%
Bond Principle	34,000	60,000	60,000	60,000	0	60,000	6.0%	Unchanged	0.88%
Total expenditures	459,847	530,814	323,402	544,289	13,575	559,741	38.927%	Unchanged	0.88%
Net increase(decrease) in reserve	74,918	0	(14,348)	29,084	27,025	0	7.1%	Unchanged	0.00%

Summary & Tax Rate Analysis

	2015	2016	2017	Lewy \$	Tax Rate
General Revenue	388,589	430,028	472,236	Unchanged	Unchanged
Bond Fund-Lewy	38,043	41,461	41,827	Unchanged	Unchanged
Total	428,632	471,489	514,063	Unchanged	Unchanged
Tax Rate	0.23869	0.25577	0.26000	Unchanged	Unchanged

City of Sunfish Lake
2017 Proposed Budget

Taxable Market Value Comparison

	2016		Preliminary 2017		Preliminary 2017		New Construction		New Construction	
	Value	%	Value	%	\$ Change	% Change	Value	% Change	Value	% Change
Residential	162,926,031	98.8%	174,345,710	99.1%	11,419,679	7.0%	3,476,100	4.9%	3,476,100	4.9%
Agricultural	547,500	0.3%	-	0.0%	(547,500)	-100.0%	-	-100.0%	-	-100.0%
Personal Property	1,472,500	0.9%	1,508,600	0.9%	36,100	2.5%	-	2.5%	-	2.5%
Totals	164,946,031	100.0%	175,854,310	100.0%	10,908,279	6.6%	3,476,100	4.5%	3,476,100	4.5%

Tax Capacity Value Comparison

	2016		Preliminary 2017		Preliminary 2017		New Construction		New Construction	
	Value	%	Value	%	\$ Change	% Change	Value	% Change	Value	% Change
Residential	1,810,526	98.1%	1,947,850	98.5%	137,324	7.6%	41,972	5.3%	41,972	5.3%
Agricultural	5,475	0.3%	-	0.0%	(5,475)	-100.0%	0	-100.0%	0	-100.0%
Personal Property	28,775	1.6%	29,317	1.5%	542	1.9%	0	1.9%	0	1.9%
Totals	1,844,776	100.0%	1,977,167	100.0%	132,391	7.2%	41,972	4.9%	41,972	4.9%

**City of Sunfish Lake
Property Tax Levy History**

8/31/2016

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Proposed 2017</u>	
Operating Levy - incl LGA	844,828	855,500	327,900	962,800	393,000	386,500	387,300	398,589	430,023	472,236	
Debt Service Levy	7,500	8,500	37,100	28,000	28,200	28,400	27,600	40,300	41,461	41,827	
Total	852,328	865,000	365,000	990,800	421,200	414,900	414,900	428,889	471,484	514,063	
Less Haca and Lpa/Lga	(3,246)	0	0	0	0	0	0	0	0	0	
Net Levy - excl LGA	349,082	365,000	365,000	990,800	421,200	414,900	414,900	428,889	471,484	514,063	
Percent change from prior year		<u>4.20%</u>	<u>4.56%</u>	<u>0.00%</u>	<u>7.07%</u>	<u>7.78%</u>	<u>-1.50%</u>	<u>0.00%</u>	<u>3.61%</u>	<u>9.68%</u>	<u>9.03%</u>

City of Sunfish Lake
Comparison of Average Home Values & Impact of Various Tax Rates

Pay	2016 <u>Mean</u>	2017 <u>Mean</u>	<u>% Change</u>	2016 <u>Median</u>	2017 <u>Median</u>	<u>% Change</u>
Taxable Market Value	786,607.00	833,508.00	5.96%	743,500.00	759,100.00	2.10%
Tax Capacity:						
1% First \$500,000	7,866.07	8,335.08		7,435.00	7,591.00	
1.25% over \$500,000	9,832.59	10,418.85		9,293.75	9,488.75	
Total Tax Capacity	<u>17,698.66</u>	<u>18,753.93</u>	5.96%	<u>16,728.75</u>	<u>17,079.75</u>	2.10%
Tax Rate Comparisons:						
Tax Rate Unchanged	0.25577	0.25577	0.00%	0.25577	0.25577	0.00%
City Property tax	4,526.79	4,796.69	5.96%	4,278.71	4,368.49	2.10%
Tax Levy \$ Unchanged						
	0.25577	0.23846	-6.77%	0.25577	0.23846	-6.77%
	4,526.79	4,472.06	-1.21%	4,278.71	4,072.84	-4.81%
2017 Proposed Budget						
	0.25577	0.26000	1.65%	0.25577	0.26000	1.65%
	4,526.79	4,876.02	7.71%	4,278.71	4,440.74	3.79%

8/31/2016 10:13

City of Sunfish Lake
Budget Analysis
Year 2017

	2017	2016	Incl/(Dec)	% change
Revenue				
General Levy	\$472,236	\$430,023	\$ 42,213	9.8%
2009A Bond Levy	28,100	28,000	100	0.4%
2014A Bond Levy	13,727	13,361	366	2.7%
Subtotal	514,063	471,384	42,679	9.1%
All other	55,409	59,430	\$ (4,021)	-6.8%
Total	569,472	530,814	38,658	7.3%
Expenditures				
Total	569,472	530,814	38,658	7.3%