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MEMO

TO: Sunfish Lake Mayor and Councilmembers
Sunfish Lake Consultants
FROM: Timothy J. Kuntz, City Attorney
DATE: August 28, 2013
RE: Sunfish Lake Truth-in-Taxation Process for Taxes Payable in 2014
September 3, 2013, 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 16, 2013. A form of resolution setting a not-to-exceed tax levy is attached to this memo for Council consideration.

Because Sunfish Lake is over 500 in population, the City must announce the meeting or meetings 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 25, 2013 at or later than 6 p.m. The announcement of the meeting(s) must be noted in the meeting minutes. The City must also notify the county auditor of the time and place of the meetings, 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 30, 2013.

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

On or before September 16, 2013:

- At the September 3, 2013, 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 25, 2013, and must start at or after 6 p.m. The time and place of the public input meeting must be included in the September 3, 2013, Council meeting minutes, but

newspaper publication of the minutes is **not** required. The date for the future meeting could be the regularly scheduled December 3, 2013, 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 3, 2013, 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, 2013, to November 23, 2013:

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

From November 25, 2013, to December 30, 2013:

- City holds meeting on December 3, 2013, at 7:00 p.m. to discuss the budget and property tax levy and, before a final determination, allow public input.
- At the December 3, 2013 meeting, the City must discuss the estimated savings realized to its budget as a result of the sales tax exemption and how those savings will be used for property tax levy reductions, fee reductions and other purposes as deemed appropriate.

On or before December 30, 2013:

- Following adoption of the budget at the December 3, 2013 meeting, the City Treasurer must certify the final property tax levy to the Dakota County Auditor and file the certificate of compliance with the Department of Revenue.

Section 2. Council Action. At the September 3, 2013, City Council meeting, the Council should consider the following actions:

1. Set a “not-to-exceed” tax levy via the attached Resolution Setting Not-to-Exceed Tax Levy for Collection in the Year 2014.
2. Set the regular meeting date of December 3, 2013, as the date at which public input will be taken.

3. Set the regular meeting date of December 3, 2013, 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 2014 Budget and Tax Levy on the City website and at St. Anne's Episcopal Church prior to the December 3, 2013, meeting.

Attachments

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

RESOLUTION NO. 13-_____

**RESOLUTION SETTING NOT-TO-EXCEED
TAX LEVY FOR COLLECTION IN THE YEAR 2014**

WHEREAS, State law requires that prior to September 16, 2013, the City set a not-to-exceed tax levy for collection in the year 2014.

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 2014 as follows:

General Fund:

Not-to-Exceed General Property Tax Levy	\$387,300
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Bond Retirement

Not-to-Exceed Improvement Bond Debt Retirement	<u>\$27,600</u>
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Total Not-to-Exceed Levy	\$414,900
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Less HACA and LGA	<u>-\$0.00</u>
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Final Net Not-to-Exceed Levy	\$414,900
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The City Council of the City of Sunfish Lake will discuss and vote on the budget and property taxes for the year 2014 at the regularly scheduled City Council meeting on December 3, 2013, at 7:00 p.m. at St. Anne's Church, 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 2014. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2014.
- 2.) Receive public comment on the proposed budget and property tax levy for 2014.
- 3.) Determine and approve the final budget and property tax levy for 2014.

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

Passed this 3rd day of September, 2013, by the City Council of Sunfish Lake.

Molly Park, Mayor

ATTEST:

Catherine Iago, City Clerk

**NOTICE OF MEETING TO CONSIDER BUDGET AND TAX LEVY FOR
THE CITY OF SUNFISH LAKE, MINNESOTA FOR YEAR 2014**

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 2014 at the regularly scheduled City Council meeting on the following date:

- December 3, 2013, at 7:00 p.m. at St. Anne's Church, 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 2014. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2014.
- 2.) Receive public comment on the proposed budget and property tax levy for 2014.
- 3.) Determine and approve the final budget and property tax levy for 2014.

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
Property Tax Levy Comparisons**

8/28/2013 14:03

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Proposed 2014</u>
Operating Levy-incl LGA	330,643	344,828	356,500	327,900	362,800	393,000	386,500	387,300
Debt Service Levy	7,615	7,500	8,500	37,100	28,000	28,200	28,400	27,600
Total	338,258	352,328	365,000	365,000	390,800	421,200	414,900	414,900
Less Haca and Lpa/Lga	(3,258)	(3,246)	0	0	0	0	0	0
Net Levy - excl LGA	335,000	349,082	365,000	365,000	390,800	421,200	414,900	414,900

Percent change from prior year	<u>18.19%</u>	<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>
							Estimate	Estimate
Cash balance-year end	378,277	\$ 440,882	\$ 613,503	\$ 506,642	\$ 509,005	\$ 577,406	\$ 577,406	\$ 577,406
Net cash change	\$ 5,155	\$ 62,605	\$ 172,621	\$ (106,861)	\$ 2,363	\$ 68,401	\$ -	\$ -

Market Value total-Source Dakota Cty-yr payable	164,158,900	172,855,500	171,855,500	174,685,100	169,046,500	159,950,662	136,281,319	141,246,753	3.64% increase
Local Tax Capacity							1,492,438	1,551,213	3.94% increase
# of homesteads	172	172	172	176	176	214	208	208	
Avg tax per home	1,948	2,030	2,122	2,074	2,220	1,968	1,995	1,995	
Aggregate Tax Incr(dec)	51,558	14,082	15,918	(0)	25,800	30,400	(6,300)	(0)	
Est inc(dec) per home	290	82	93	(48)	147	(252)	26	(0)	

Definition of # of homesteads change from 2011 to 2012

8/28/2013 14:03

**City of Sunfish Lake
Budget Analysis
Year 2014**

Revenue	2014	2013	Inc/(Dec)	% change
General Levy	\$ 387,300	\$ 386,500	\$ 800	0.2%
Salem Church Bond Levy	27,600	28,400	\$ (800)	-2.8%
Subtotal	414,900	414,900	-	0.0%
All other	42,605	41,244	\$ 1,361	3.3%
Total	457,505	456,144	1,361	0.3%
Expenditures				
Total	\$ 457,505	\$ 456,144	\$ 1,361	0.3%

City of Sunfish Lake
Budget Analysis Proposed Budget
All Funds
Year 2014

08/28/13

	2012	2013	2013	2013 Budget	Proposed 2014	<u>Non levy items-</u> <u>general</u>			
	<u>Actual</u>	<u>Budget</u>	<u>Full yr estimate</u> As of 7/31	<u>Difference</u>	<u>Budget</u>				
<u>Revenues</u>									
Property taxes - current	\$ 387,804	\$ 386,500	\$ 386,500	\$ -	\$ 387,300				
Property taxes - delinq	2,714	0	10,949	10,949	0				42,405
Grants	1,100	1,100	1,100	0	1,100	1,100			
Other taxes	1,236	1,100	1,339	239	1,100	1,100			\$ 457,304.80
Gross permits & plan checks	16,316	18,000	21,832	3,832	18,000	18,000	Per Building Inspector		
Surtax revenue	601	420	851	431	420	420			
Charges for City services	4,237	3,000	3,830	830	3,000	3,000	Includes Arbor Day Receipts		
Fines	658	600	539	(61)	600	600			
Interest income	2,161	1,200	2,645	1,445	2,360	2,360			
Subtotal-General and Surtax	416,827	411,920	429,586	17,666	413,880				
						Total	Acorn	Salem	11,773
Special Assessments	11,773	11,773	11,268	(505)	11,773	11,773	6,810	4,963	
Bond Fund Levy	27,514	28,400	28,285	(115)	27,600			27,600	Per bond schedule
Assessments-Interest	3,829	4,051	3,948	(103)	4,052	4,052	1,874	2,178	
Total Revenues	459,943	456,144	473,087	16,943	457,305	42,405			4,052
<u>Expenditures</u>									
Council expenses	307	400	400	0	400				
Publishing-printing & advertising	2,309	2,400	2,262	(138)	2,400	Includes attorney publications			
Mayor	86	878	878	0	878				
City Administrator	4,467	4,556	4,461	(95)	4,556	Same			
						BASE	FICA	TOTAL	
City Clerk	11,445	11,674	11,674	(0)	11,674	\$ 10,845	\$ 830	\$ 11,674	
Elections	1,730	680	680	0	8,230	Gubernatorial Election year plus new election machine (\$6,500)			
Postage	481	600	600	0	600				
Treasurer	16,836	16,800	16,914	114	16,900				
Bank charges	30	120	50	(70)	120				
City Attorney	30,769	32,000	32,000	0	32,000	Per City Attorney -No change			
City Planner	24,965	24,000	30,000	6,000	27,000	Per Planner - more activity (ADJ AUG)			
Police	93,276	95,834	95,834	0	95,834	Per Bud Shaver - No change			
Fire protection	37,735	40,391	40,391	0	40,100	Per Kristen Schabacher-Mendota Heights schedule-budget not complete			
Signal lighting	77	90	90	0	90				
Due to City Inspector	12,701	14,400	17,200	2,800	14,400	80% of Permit income			
Building Official	0	0	0	0	0				
Septic system administration	0	450	900	450	450				

City of Sunfish Lake

Budget Analysis

All Funds

Year 2014

	2012	2013	2013	2013	Proposed	
	<u>Actual</u>	<u>Budget</u>	<u>Full yr estimate</u>	<u>Budget</u>	<u>2014</u>	
				<u>Difference</u>	<u>Budget</u>	
City Engineer	32,278	24,000	33,337	9,337	33,250	Monthly, NPDES, LGU Role, Mapping & General
Road maint/capital improve	2,080	13,300	13,300	0	9,600	Street sweeping, sign replacement (CIP), bituminous & shoulder maintenance
Capital Improvements	25,025	44,500	44,500	0	34,200	Bituminous seal coating & 2014 roadway improvement feasibility study, culvert cleaning
Charlton road maint	8,676	7,600	10,000	2,400	9,350	Gravel, grading & dust control
Street lighting	604	600	600	0	600	
Sign maint/pavement mark	92	500	592	92	500	
Snow removal - IGH	650	3,000	3,000	0	3,000	Per City Engineer
Snow removal - other	10,108	35,000	30,000	(5,000)	30,000	Per City Engineer
City Forester	16,854	19,600	19,600	0	19,600	Per Jim Naves-no change
Forestry expenses	2,303	4,800	4,800	0	4,800	Per Jim Naves-no change-expenses includes Arbor Day trees
Deer management	611	450	450	0	450	
Water quality/Comprehensive Plan	1,250	1,600	1,600	0	1,600	Camp program & public education materials
Insurance	2,210	2,800	2,800	0	2,800	League of MN Cities, Workers Comp
Memberships	3,565	3,600	3,600	0	3,600	League of MN Cities, Lower Mississippi, Metro, et al
Rent	1,815	1,800	1,980	180	2,000	
Office Supplies & Expense	689	1,440	1,440	0	1,440	
Surtax payments	320	420	851	431	420	Same as Surtax Income
Website Expenses	0	60	300	240	60	
Subtotal-General & Surtax	346,342	410,343	427,084	16,741	412,902	
Bond Interest	14,345	12,801	12,801	0	10,403	Per bond schedule
Bond Principle	32,000	33,000	33,000	0	34,000	Per bond schedule
Total expenditures	392,687	456,144	472,885	16,741	457,305	
Net increase(decrease) in reserve	67,256	(0)	201	202	0	
Balance Sheet items (non p&I)						
Pass thru fees - receipts	0	0	7,250	7,250	0	Not budgeted-should be break even
Pass thru charges			(4,502)	(4,502)	0	Not budgeted-should be break even
Net cash flow			2,949			

Summary

General Revenue	386,500	387,300	0.21%
Bond Fund-Levy	28,400	27,600	-2.82%
Total	414,900	414,900	0.00%