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MEMO

TO: Sunfish Lake Mayor and Councilmembers
Sunfish Lake Consultants
FROM: Timothy J. Kuntz, City Attorney
DATE: August 26, 2015
RE: Resolution Setting Not-to-Exceed Tax Levy for Collection in the Year 2016
September 1, 2015, Special 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, 2015. A 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 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, 2015 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, 2015.

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

On or before September 30, 2015:

- At the September 1, 2015, 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, 2015, and must start at or after 6 p.m. The time and place of the public input meeting must be included in the September 1, 2015, Council meeting minutes, but newspaper publication of the minutes is **not** required. The date for the future meeting could be the regularly scheduled December 1, 2015, 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 1, 2015, 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, 2015, to November 24, 2015:

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

From November 25, 2015, to December 28, 2015:

- City holds meeting on December 1, 2015, 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, 2015:

- Following adoption of the budget at the December 1, 2015 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 September 1, 2015, City Council meeting, the Council must 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 2016.

2. Set the regular meeting date of December 1, 2015, as the date at which public input will be taken.

3. Set the regular meeting date of December 1, 2015, 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 2016 Budget and Tax Levy on the City website and at St. Anne's Episcopal Church prior to the December 1, 2015, meeting.

NOTICE OF MEETING TO CONSIDER BUDGET AND TAX LEVY FOR THE CITY OF SUNFISH LAKE, MINNESOTA FOR YEAR 2016

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 2016 at the regularly scheduled City Council meeting on the following date:

- December 1, 2015, 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 2016. At the meeting the Council will consider the following:

1.) Discuss the proposed budget and property tax levy for 2016.

2.) Receive public comment on the proposed budget and property tax levy for 2016.

3.) Determine and approve the final budget and property tax levy for 2016.

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. 15-_____

RESOLUTION SETTING NOT-TO-EXCEED TAX LEVY FOR COLLECTION IN THE YEAR 2016

WHEREAS, State law requires that prior to September 30, 2015, the City of Sunfish Lake set a not-to-exceed tax levy for collection in the year 2016.

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 2016 as follows:

General Fund:	
Not-to-Exceed General Property Tax Levy	$430,023
Bond Retirement	
Not-to-Exceed Improvement Bond Debt Retirement	$41,461
Total Not-to-Exceed Levy	$471,484
Less HACA and LGA	-$0.00
Final Net Not-to-Exceed Levy	**$471,484**

The City Council of the City of Sunfish Lake will discuss and vote on the budget and property taxes for the year 2016 at the regularly scheduled City Council meeting on December 1, 2015, 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 2016. At the meeting the Council will consider the following:

1.) Discuss the proposed budget and property tax levy for 2016.

2.) Receive public comment on the proposed budget and property tax levy for 2016.

3.) Determine and approve the final budget and property tax levy for 2016.

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

Passed this 1st day of September, 2015, by the City Council of Sunfish Lake.

____
Molly Park, Mayor

ATTEST:

____
Catherine Iago, City Clerk

Attachments 8a

City of Sunfish Lake
Budget Analysis
All Funds
Year 2016

08/27/15

	2014 Actual	2015 Budget	2015 Actual to 7/31/2015	2015 Full yr estimate As of 7/31	2015 Budget Difference	Proposed 2016 Budget	$ Change	% Change	Non levy items-general (Total)		Acorn	Salem	2014
Revenues													
Property taxes - current	$ 380,749	$ 389,589	$ 213,196	$ 396,841	$ 7,252	$ 430,023	$ 40,434	9.4%					
Property taxes - delinq	5,530	0	3,905	3,905	3,905	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	9,750	0	6,465	12,941	12,941	0	0	-100.0%		Small Cities Assistance M.S. 162.145 - 2015 only			
Other taxes	1,424	1,400	1,413	1,413	13	1,400	0	0.0%	1,400	NDC4 Franchise Fee			
Gross permits & plan checks	48,790	24,000	37,428	40,000	16,000	24,000	0	0.0%	24,000	Per Building Inspector			
Surtax revenue	1,040	420	1,752	2,000	1,580	420	0	0.0%	420				
Charges for City services	1,093	3,000	0	3,000	0	3,000	0	0.0%	3,000	Includes Arbor Day Receipts			
Fines	1,168	600	1,248	1,400	800	600	0	0.0%	600				
Interest income	5,788	2,360	4,010	6,800	4,440	3,000	640	21.3%	3,000				
Subtotal-General and Surtax	456,432	422,469	270,517	469,400	46,931	463,543	41,074	8.9%	33,520				
									Total		Acorn	Salem	2014
Special Assessments	95,947	37,928	15,204	37,928	0	25,810	(12,118)	-47.0%	25,810		6,810	3,657	9,600
Bond Fund Levy	26,466	40,300	21,043	40,300	0	41,461	1,161	2.8%	41,361			28,000	13,361
Assessments-Interest	405	4,052	115	200	(3,852)	0	(4,052)	-100.0%	0		749	1,106	3,888
Bond Proceeds	314,666	0	0	0	0	0	0	0.0%					
Total Revenues	893,916	504,749	306,879	547,628	43,079	530,814	26,065	4.9%	134,211				
Expenditures													
Council expenses	107	400	0	400	0	400	0	0.0%					
Publishing-printing & advertising	2,801	2,400	270	2,400	0	2,400	0	0.0%		Includes attorney publications			
Mayor	334	878	1,795	2,162	1,284	878	0	0.0%					
City Administrator	4,693	4,832	3,238	5,250	418	5,400	568	10.5%		2015 estimated +3%			
City Clerk	12,746	13,500	8,285	13,911	411	14,300	800	5.6%		2015 estimated +3%			
Elections	1,351	6,500	(39)	6,500	0	9,500	3,000	31.6%		Presidential Election Year & new machine			
Postage	614	600	289	538	(62)	600	0	0.0%					
Treasurer	18,180	18,100	12,198	19,741	1,641	20,300	2,200	10.8%		2015 estimated +3%			
Bank charges	30	120	30	80	(40)	120	0	0.0%		Same			
City Attorney	31,502	32,000	19,121	32,454	454	34,000	2,000	5.9%		Per City Attorney			
City Planner	33,333	27,000	20,692	31,942	4,942	30,000	3,000	10.0%		Per Planner -			
Police	96,002	97,750	57,021	97,750	0	99,750	2,000	2.0%		Per Bud Shaver - 2%			
Fire protection	35,862	40,100	18,265	36,529	(3,571)	40,100	0	0.0%		Per Kristen Schabacher-Mendota Heights schedule-budget not complete			
Signal lighting	81	90	47	93	3	90	0	0.0%					
Due to City Inspector	39,534	19,200	27,676	37,276	18,076	19,200	0	0.0%		80% of Permit income			
Septic system administration	529	450	885	886	436	450	0	0.0%		Same			

City of Sunfish Lake
Budget Analysis
All Funds

Year 2016	2014 Actual	2015 Budget	2015 Actual to 7/31/2015	2015 Full yr estimate	2015 Budget Difference	Proposed 2016 Budget				
City Engineer	17,712	33,750	22,690	36,751	3,001	26,000	(7,750)	-29.8%	Monthly, NPDES, LGU Role, Mapping & General	
Road maint/capital improve	10,162	15,800	2,179	10,900	(4,900)	15,800	0	0.0%	Street sweeping, sign replacement (CIP), bituminous & shoulder maintenance	
Capital Improvements	268,326	34,200	821	34,200	0	57,000	22,800	40.0%	Bituminous seal coating & 2014 roadway improvements, culvert cleaning	
Charlton road maint	10,135	13,850	6,532	16,920	3,070	9,450	(4,400)	-46.6%	Gravel, grading & dust control	
Street lighting	545	600	319	570	(30)	600	0	0.0%		
Sign maint/pavement mark	1,315	500	537	537	37	500	0	0.0%		
Snow removal - IGH	0	3,000	0	0	(3,000)	3,000	0	0.0%	Per City Engineer	
Snow removal - other	30,391	30,000	13,020	20,000	(10,000)	30,000	0	0.0%	Per City Engineer	
City Forester	16,362	19,600	11,387	17,887	(1,713)	19,600	0	0.0%	Per Jim Nayes-no change	
Forestry expenses	789	4,800	693	1,692	(3,108)	4,800	0	0.0%	Per Jim Nayes-no change-expenses includes Arbor Day trees	
Deer management	0	450	0	450	0	450	0	0.0%		
Water quality/Comprehensive Plan	5,269	1,400	4,239	4,239	2,839	1,400	0	0.0%	Camp program & public education materials	
Insurance	2,103	2,800	0	2,800	0	2,800	0	0.0%	League of MN Cities, Workers Comp	
Memberships	2,751	4,305	2,979	4,553	248	4,400	95	2.2%	League of MN Cities, Lower Mississippi, Metro, et al	
Rent	2,032	2,000	1,211	2,076	76	2,300	300	13.0%	Will be an increase - amount unknown 10% Est	
Office Supplies & Expense	706	1,440	291	890	(550)	1,440	0	0.0%		
Surtax payments	1,764	420	1,839	2,049	1,629	420	0	0.0%		
Website Expenses	0	360	0	0	(360)	360	0	0.0%	Webmaster	
Miscellaneous	11,872		1,340	1,340	1,340	0	0	0.0%		
Subtotal-General & Surtax	659,933	433,195	239,850	443,751	10,556	455,792	22,597	5.0%		
Bond Interest	10,953	16,713	12,768	16,713	0	15,022	(1,691)	-11.3%	Per bond schedules	
Bond Principle	34,000	34,000	34,000	34,000	0	60,000	26,000	43.3%	Per bond schedules	24,309
Total expenditures	704,886	483,908	286,618	494,464	10,556	530,814	46,906	8.8%		
Net increase(decrease) in reserve	189,030	20,841	20,261	53,364	32,523	0				

Summary & Tax Rate Analysis	2014	2015	Balance Budget		Levy $ Unchanged		Tax Rate Unchanged	
General Revenue	380,749	389,589	430,023	10.38%	388,428	-0.30%	398,542	2.30%
Bond Fund-Levy	26,466	40,300	41,461	2.88%	41,461	2.88%	41,461	2.88%
Total	407,215	429,889	471,484	9.68%	429,889	0.00%	440,003	2.35%
Tax Rate	0.26775	0.23869	0.25577	7.15%	0.23320	-2.30%	0.23869	0.00%

City of Sunfish Lake
2016 Proposed Budget

Taxable Market Value Comparison

	2015	%	Preliminary 2016	%	$ Change	% Change	New Construction	% Change w/o New
Residential	159,616,860	98.8%	162,961,861	98.8%	3,345,001	2.1%	1,119,400	1.4%
Agricultural	537,900	0.3%	547,500	0.3%	9,600	1.8%	-	1.8%
Personal Property	1,433,900	0.9%	1,433,900	0.9%	-	0.0%	-	0.0%
Totals	161,588,660	100.0%	164,943,261	100.0%	3,354,601	2.1%	1,119,400	1.4%

Tax Capacity Value Comparison

	2015	%	Preliminary 2016	%	$ Change	% Change	New Construction	% Change w/o New
Residential	1,767,692	98.1%	1,809,930	98.2%	42,238	2.4%	13,992	1.6%
Agricultural	5,379	0.3%	5,475	0.3%	96	1.8%	0	1.8%
Personal Property	28,003	1.6%	28,003	1.5%	-	0.0%	0	0.0%
Totals	1,801,074	100.0%	1,843,408	100.0%	42,334	2.4%	13,992	1.6%

City of Sunfish Lake
Property Tax Levy History

8/27/2015

	2008	2009	2010	2011	2012	2013	2014	2015	Proposed 2016
Operating Levy-incl LGA	344,828	356,500	327,900	362,800	393,000	386,500	387,300	389,589	430,023
Debt Service Levy	7,500	8,500	37,100	28,000	28,200	28,400	27,600	40,300	41,361
Total	352,328	365,000	365,000	390,800	421,200	414,900	414,900	429,889	471,384
Less Haca and Lpa/Lga	(3,246)	0	0	0	0	0	0	0	0
Net Levy - excl LGA	349,082	365,000	365,000	390,800	421,200	414,900	414,900	429,889	471,384
Percent change from prior year	4.20%	4.56%	0.00%	7.07%	7.78%	-1.50%	0.00%	3.61%	9.85%

City of Sunfish Lake

Comparison of Average Home Values & Impact of Various Tax Rates

Pay	2015 Mean	2016 Mean	% Change	2015 Median	2016 Median	% Change
Taxable Market Value	770,515.00	760,920.00	-1.25%	728,700.00	740,700.00	1.65%
Tax Capacity:						
1% First $500,000	7,705.15	7,609.20		7,287.00	7,407.00	
1.25% over $500,000	9,631.44	9,511.50		9,108.75	9,258.75	
Total Tax Capacity	17,336.59	17,120.70	-1.25%	16,395.75	16,665.75	1.65%
Tax Rate Comparisons:						
Tax Rate Unchanged	0.23869	0.23869	0.00%	0.23869	0.23869	0.00%
City Property tax	4,138.07	4,086.54	-1.25%	3,913.50	3,977.95	1.65%
Tax Levy $ Unchanged	0.23869	0.23320	-2.30%	0.23869	0.23320	-2.30%
	4,138.07	3,992.55	-3.52%	3,913.50	3,886.45	-0.69%
Average Home	0.23869	0.23730	-0.58%	0.23869	0.23730	-0.58%
Tax $ Unchanged	4,138.07	4,062.74	(0.02)	3,913.50	3,954.78	1.05%
2016 Balanced Budget	0.23869	0.25577	7.16%	0.23869	0.25577	7.16%
	4,138.07	4,378.96	5.82%	3,913.50	4,262.60	8.92%

8/27/2015 13:15

City of Sunfish Lake
Budget Analysis
Year 2016

Revenue	2016	2015	Inc/(Dec)	% change
General Levy	$ 430,023	$ 389,589	$ 40,434	10.4%
2009A Bond Levy	28,000	28,000	-	0.0%
2014A Bond Levy	13,361	12,300	1,061	8.6%
Subtotal	471,384	429,889	41,495	9.7%
All other	59,430	74,860	$ (15,430)	-20.6%
Total	530,814	504,749	26,065	5.2%
Expenditures	530,814	483,908	46,906	9.7%
Total	$ 530,814	$ 483,908	$ 46,906	9.7%