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

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MEMO

TO: Sunfish Lake Mayor and Councilmembers
FROM: Timothy J. Kuntz, City Attorney
DATE: August 26, 2020
**RE: Resolution Setting Not-to-Exceed Tax Levy for Collection in the Year 2021;
September 1, 2020 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 on or before September 30, 2020.

Because Sunfish Lake is over 500 in population, at one meeting, the City Council must adopt the proposed property tax levy and announce the time and place of a future Council meeting at which the budget and levy will be discussed and public input allowed, prior to final budget and levy determination. The public input meeting must occur after November 24, 2020 at or later than 6 p.m. The time and place of the public input meeting must be included in the meeting minutes, but newspaper publication of the minutes is not required.

The City must provide the county auditor with (i) the time and place of the meeting at which the budget and levy will be discussed and public input allowed; and (ii) a phone number that City tax payers may call if they have questions related to the auditor’s property tax notice; and (iii) an address where comments will be received by mail.

The City must certify the final property tax levy to the county auditor on or before December 28, 2020.

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

On or before September 30, 2020:

- At the September 1, 2020, meeting, the City Council must 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, 2020, 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, 2020, 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, 2020, 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:

- The time and place of the meeting at which the budget and levy will be discussed and public input allowed (December 1, 2020, at 7:00 p.m.)
- A phone number that City taxpayers may call if they have questions related to the county auditor’s property tax notice.
- An address where comments will be received by mail.

From November 11, 2020, to November 24, 2020:

- Dakota County Auditor prepares and sends parcels specific notices.

From November 25, 2020, to December 28, 2020:

- City holds meeting on December 1, 2020, 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, 2020:

- Following adoption of the budget at the December 1, 2020 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, 2020, City Council meeting, the Council will be asked to consider the following actions:

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 2021.
2. Set the regular meeting date of December 1, 2020, as the date at which public input will be taken.
3. Set the regular meeting date of December 1, 2020, 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 2021 Budget and Tax Levy on the City website and at St. Anne’s Episcopal Church by October 1, 2020 for the December 1, 2020 meeting.

**NOTICE OF MEETING TO CONSIDER BUDGET AND TAX LEVY FOR
THE CITY OF SUNFISH LAKE, MINNESOTA FOR YEAR 2021**

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 2021 at the regularly scheduled City Council meeting on the following date:

December 1, 2020, at 7:00 p.m.

Join Zoom Meeting via Zoom teleconferencing website:

Call-in Phone number: _____

You will be prompted to enter the Meeting ID#

Meeting ID for December 1, 2020: _____

The Zoom access instructions will be available on the City website at
www.sunfishlake.org before the Council meeting.

All citizens are invited to attend the meeting (via the Zoom teleconferencing website or call-in phone number) and express their opinions on the proposed budget and property taxes payable in the year 2021. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2021.
- 2.) Receive public comment on the proposed budget and property tax levy for 2021.
- 3.) Determine and approve the final budget and property tax levy for 2021.

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 contact City Treasurer, Ann Lanoue at (651) 338-3756 or at alanoue@comcast.net. 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 or e-mail them to City Clerk, Catherine Iago at cjiago@comcast.net.

/s/

Catherine Iago, City Clerk

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

RESOLUTION NO. 20-_____

**RESOLUTION SETTING NOT-TO-EXCEED
TAX LEVY FOR COLLECTION IN THE YEAR 2021**

WHEREAS, State law requires that prior to September 30, 2020, the City of Sunfish Lake set a not-to-exceed tax levy for collection in the year 2021.

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 2021 as follows:

General Fund:

Not-to-Exceed General Property Tax Levy	\$557,629
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Bond Retirement

Not-to-Exceed Improvement Bond Debt Retirement	<u>\$112,523</u>
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Total Not-to-Exceed Levy	\$670,152
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Less HACA and LGA	<u>-\$0.00</u>
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Final Net Not-to-Exceed Levy	\$670,152
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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 2021 at the regularly scheduled City Council meeting on December 1, 2020, at 7:00 p.m. via a Zoom teleconference meeting per the Zoom accessing instructions provided on the Notice of Meeting posted on the Sunfish Lake City Website at www.sunfishlake.org.

All citizens are invited to attend the Zoom meeting and express their opinions on the proposed budget and property taxes payable in the year 2021. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2021.
- 2.) Receive public comment on the proposed budget and property tax levy for 2021.
- 3.) Determine and approve the final budget and property tax levy for 2021.

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

Passed this 1st day of September, 2020, by the City Council of Sunfish Lake.

Dan O'Leary, Mayor

ATTEST:

Catherine Iago, City Clerk

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2021 PROPOSED
BUDGETCity of Sunfish Lake
Budget Analysis
All Funds
Year 2021

08/27/20

	2019	2020	2020 Actual to 7/31/2020	2020 Full yr estimate As of 7/31	2020 Budget Difference	Proposed 2021 Budget	\$ Change	% Change	Non levy items- general
Revenues									
Property taxes - current	\$ 537,111	\$ 531,724	\$ 284,389	\$ 531,724	\$ -	\$ 495,651	(36,073)	-7.3%	
Property taxes - delinq	18,970	0	3,169	3,169	3,169	0	0	0.0%	0
Grants	4,984	5,000	0	5,000	0	5,000	0	0.0%	5,000 Recycle Grant to match actual expenditures
Other grants	0	0	681	0	0	0	0	0.0%	Small Cities Assistance M.S. 162.145 -not funded for 2020
Other taxes	1,683	1,500	1,660	1,660	160	1,500	0	0.0%	1,500 NDC4 Franchise Fee
Gross permits & plan checks	85,151	24,000	5,755	24,000	0	24,000	0	0.0%	24,000 Same as 2020
Surtax revenue	4,317	420	95	420	0	420	0	0.0%	420
Charges for City services	2,750	3,000	1,000	3,000	0	3,000	0	0.0%	3,000 Includes Arbor Day Receipts
Fines	3,076	2,000	1,583	2,400	400	2,000	0	0.0%	2,000
Interest income	9,425	6,000	3,866	6,400	400	6,000	0	0.0%	6,000
Subtotal-General and Surtax	667,466	573,644	302,198	577,773	4,129	537,571	(36,073)	-6.7%	41,920
Special Assessments	230,710	17,781	10,828	17,781	0	72,564	54,783	75.5%	Total 2014 2017 2019
Bond Fund Levy	80,452	138,428	72,385	138,428	0	112,523	(25,905)	-23.0%	72,564 12,586 5,194 54,783
Assessments-Interest	12,221	0	832	0	0	0	0	0.0%	112,523 19,090 33,650 59,783
Funding from CIP						0	0	0.0%	0 - Per bond schedules
Bond Proceeds	974,876	0	0	0	0	0	0	0.0%	
Total Revenues	1,965,725	729,853	386,243	733,982	4,129	722,658	(7,196)	-1.0%	114,484
Expenditures									
Council expenses	210	400	0	200	(200)	400	0	0.0%	
Publishing-printing & advertising	3,202	2,400	497	1,500	(900)	2,400	0	0.0%	Includes attorney publications
Mayor	571	878	334	878	0	878	0	0.0%	
City Administrator	6,062	6,401	3,795	6,462	61	6,593	192	2.9%	2019 estimated +3%
City Clerk	15,133	16,656	9,614	16,656	0	17,156	500	2.9%	2019 estimated +3%
Elections	617	2,100	705	2,100	0	600	(1,500)	-250.0%	
Postage	54	600	218	600	0	600	0	0.0%	
Treasurer	22,248	23,365	13,619	23,365	0	24,066	701	2.9%	2019 estimated +3%
Bank charges	60	120	60	60	(60)	120	0	0.0%	Same
City Attorney	36,277	36,000	22,648	37,000	1,000	36,500	500	1.4%	Per City Attorney
City Planner	26,550	30,000	21,920	30,000	0	36,000	6,000	16.7%	Per Planner
Police	104,242	105,284	61,416	105,284	0	106,337	1,053	1.0%	Per WSP Finance Director 1% increase
Fire protection	74,408	69,246	32,387	69,248	2	57,559	(11,687)	-20.3%	Per Kristen Schabacher-Mendota Heights reflects costs for Fire Hall remodeling
Signal lighting	80	90	58	90	0	90	0	0.0%	
Due to City Inspector	72,318	19,200	5,053	19,200	0	19,200	0	0.0%	80% of Permit income + plan check fees
Septic system administration	552	600	0	600	0	600	0	0.0%	

City of Sunfish Lake
Budget Analysis
All Funds

	2019	2020	2020 Actual to 7/31/2020	2020 Full yr estimate	2020 Budget Difference	Proposed 2021 Budget	\$ Change	% Change				
Year 2021	Actual	Budget										
City Engineer	32,850	44,300	28,402	46,861	2,561	47,680	3,380	7.1%	Monthly, NPDES, LGU Role, Mapping & General			
Road maint/capital improve	14,352	18,100	640	57,276	39,176	64,792	46,692	72.1%	Street sweeping, sign replacement (CIP), bituminous & shoulder maintenance			
Capital Improvements	860,211	138,380	52,351	138,380	0	0	(138,380)	-100.0%	Per capital improvement plan			
Charlton road maint	4,803	0	0	0	0	0	0	-100.0%	Gravel, grading, Sunfish Outlet cleaning & dust control			
Street lighting	800	600	492	700	100	600	0	0.0%				
Sign main/pavement mark	7,178	0	0	240	240	0	0	0.0%				
Snow removal - IGH	0	3,000	0	0	(3,000)	3,000	0	0.0%	Per City Engineer			
Snow removal - other	50,430	38,000	27,000	38,000	0	38,000	0	0.0%	Per City Engineer			
Recycling	5,225	5,000	2,508	3,757	0	5,000	0	100.0%	Recycling coordinator and expenses per City Administrator			
City Forester	10,818	20,794	6,500	20,794	0	20,794	(0)	0.0%	Per Jim Naves-no change 3% increase			
Forestry expenses	2,817	4,800	1,630	3,630	(1,170)	4,800	0	0.0%	Per Jim Naves-no change-expenses includes Arbor Day trees			
Deer management	0	450	0	450	0	450	0	0.0%				
Water quality	1,140	1,140	0	1,140	0	1,140	0	0.0%	Camp program & public education materials			
Insurance	2,230	2,800	0	2,800	0	2,800	0	0.0%	League of MN Cities, Workers Comp			
Memberships	4,243	4,900	3,397	4,900	0	4,900	0	0.0%	League of MN Cities, Lower Mississippi, Metro, et al			
Rent	3,900	4,200	2,450	4,200	0	4,200	0	0.0%	Per lease agreement with St. Anne's Church (this is 5th year of 5 year lease)			
Office Supplies & Expense	2,236	1,440	826	1,440	0	1,940	500	25.8%	Add \$500 for shelving for planning files			
Surtax payments	3,404	420	672	420	0	420	0	0.0%				
Website Expenses	3,606	4,000	0	4,000	0	4,000	0	0.0%	Webmaster			
Miscellaneous	476	500	235	500	0	500	0	0.0%				
Subtotal-General & Surtax	1,371,264	808,184	299,427	642,731	34,547	516,135	(92,049)	-17.8%		2014	2017	2019
Bond Interest	37,280	46,669	19,601	42,936	(3,733)	36,523	(10,147)	-27.8%	Per bond schedules	4,148	7,595	24,780
Bond Principle	67,000	75,000	75,000	75,000	0	170,000	95,000	55.9%	Per bond schedules	35,000	40,000	95,000
Total expenditures	1,477,562	729,853	394,028	760,667	30,814	722,658	(7,195)	-1.0%				
Net increase(decrease) in reserve	488,164	0	(7,785)	(26,685)	(26,685)	(0)	(0)					

Summary & Tax Rate Analysis

General Revenue	541,663	531,724
Bond Fund-Levy	81,565	138,428
Total	623,278	670,152

Tax Rate 0.26168 0.28441

2021 Budget Balance	Levy \$ Unchanged	2021 Tax Rate Unchanged
495,651	557,629	557,635
112,523	112,523	112,523
2021 608,174	670,152	670,158
0.25810	0.28441	0.28441
2020 670,152		370,152
Difference (61,978)		300,006

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**City of Sunfish Lake
Budget Analysis
Year 2021**

Revenue	2021	2020	Inc/(Dec)	% change
General Levy	\$ 557,629	\$ 531,724	\$ 25,905	4.9%
2014A Bond Levy	19,090	19,175	(85)	-0.4%
2017A Bond Levy	33,650	- 33,938	(288)	-0.8%
2019A Bond Levy	59,783	85,314	(25,531)	-29.9%
Subtotal	670,152	670,152	1	0.0%
All other	52,506	59,701	\$ (7,195)	-12.1%
Total	722,658	729,853	(7,193)	-1.0%
Expenditures	722,658	729,853	(7,195)	-1.0%
Total	\$ 722,658	\$ 729,853	\$ (7,195)	-1.0%

City of Sunfish Lake
2021 Proposed Budget

Taxable Market Value Comparison

	<u>2020</u>	<u>%</u>	Preliminary <u>2021</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>	<u>New Construction</u>	<u>% Change w/c New</u>
Residential	204,087,997	99.2%	204,631,644	99.2%	543,647	0.3%	763,000	-0.1%
Personal Property	1,610,100	0.8%	1,615,800	0.8%	5,700	0.4%	-	0.4%
Totals	205,698,097	100.0%	206,247,444	100.0%	549,347	0.3%	763,000	-0.1%

Tax Capacity Value Comparison

	<u>2020</u>	<u>%</u>	Preliminary <u>2021</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>	<u>New Construction</u>	<u>% Change w/c New</u>
Residential	2,317,811	98.7%	2,324,929	98.7%	7,118	0.3%	9,537	-0.1%
Personal Property	31,272	1.3%	31,381	1.3%	109	0.3%	0	0.3%
Totals	2,349,083	100.0%	2,356,310	100.0%	7,227	0.3%	9,537	-0.1%

City of Sunfish Lake
Property Tax Levy History

8/27/2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	Proposed <u>2021</u>
Operating Levy-incl LGA	362,800	393,000	386,500	387,300	389,589	430,023	472,236	481,163	541,693	531,724	557,629
Debt Service Levy	28,000	28,200	28,400	27,600	40,300	41,461	41,827	81,957	81,585	138,428	112,523
Total	390,800	421,200	414,900	414,900	429,889	471,484	514,063	563,120	623,278	670,152	670,152
Less Haca and Lpa/Lga	0	0	0	0	0	0	0	0	0	0	0
Net Levy - excl LGA	390,800	421,200	414,900	414,900	429,889	471,484	514,063	563,120	623,278	670,152	670,152
Percent change from prior year	<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>	<u>9.54%</u>	<u>10.68%</u>	<u>8.78%</u>	<u>0.00%</u>

City of Sunfish Lake
Comparison of Average Home Values & Impact of Proposed Tax Rate Certified to Dakota County
2021 Proposed Budget

Pay	2020 <u>Mean</u>	2021 <u>Mean</u>	<u>% Change</u>	2020 <u>Median</u>	2021 <u>Median</u>	<u>% Change</u>
Taxable Market Value	975,736.00	958,885.00	-1.73%	919,000.00	900,000.00	-2.07%
Tax Capacity:						
1% First \$500,000	9,757.36	9,588.85		9,190.00	9,000.00	
1.25% over \$500,000	12,196.70	11,986.06		11,487.50	11,250.00	
Total Tax Capacity	<u>21,954.06</u>	<u>21,574.91</u>	-1.73%	<u>20,677.50</u>	<u>20,250.00</u>	-2.07%

Tax Rate Comparisons:

Recommended:						
Tax Levy \$ Unchanged	0.28441	0.28441	0.00%	0.28441	0.28441	0.00%
City Property tax	6,243.95	6,136.12	-1.73%	5,880.89	5,759.30	-2.07%

Other options:

Tax Rate Unchanged	0.28441	0.28441	0.00%	0.28441	0.28441	0.00%
City Property tax	6,243.95	6,136.12	-1.73%	5,880.89	5,759.30	-2.07%
Tax Levy \$ Unchanged	0.28441	0.28441	0.00%	0.28441	0.28441	0.00%
City Property tax	6,243.95	6,136.12	-1.73%	5,880.89	5,759.30	-2.07%