
**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 28, 2019
**RE: Resolution Setting Not-to-Exceed Tax Levy for Taxes Payable in 2020
September 3, 2019, 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, 2019.

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, 2019 at or later than 6 p.m. The time and place of the public input meeting must be included in the 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 30, 2019.

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

On or before September 30, 2019:

- At the September 3, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, to November 24, 2019:

- Dakota County Auditor prepares and sends parcels specific notices.

From November 25, 2019, to December 28, 2019:

- City holds meeting on December 3, 2019, 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 30, 2019:

- Following adoption of the budget at the December 3, 2019 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 3, 2019, City Council meeting, the Council will be asked to consider the following actions:

1. Set a “not-to-exceed” tax levy by way of a Resolution Setting Not-to-Exceed Tax Levy for Collection in the Year 2020.
2. Set the regular meeting date of December 3, 2019, as the date at which public input will be taken.
3. Set the regular meeting date of December 3, 2019, 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 2020 Budget and Tax Levy on the City website and at St. Anne’s Episcopal Church prior to the December 3, 2019, meeting.

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

RESOLUTION NO. 19-_____

**RESOLUTION SETTING NOT-TO-EXCEED
TAX LEVY FOR COLLECTION IN THE YEAR 2020**

WHEREAS, State law requires that prior to September 30, 2019, the City of Sunfish Lake set a not-to-exceed tax levy for collection in the year 2020.

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 2020 as follows:

General Fund:

Not-to-Exceed General Property Tax Levy	\$531,724
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Bond Retirement

Not-to-Exceed Improvement Bond Debt Retirement	<u>\$138,428</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 2020 at the regularly scheduled City Council meeting on December 3, 2019, at 7:00 p.m. at St. Anne's Church located at 2035 Charlton Road (Highway 62 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 2020. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2020.
- 2.) Receive public comment on the proposed budget and property tax levy for 2020.
- 3.) Determine and approve the final budget and property tax levy for 2020.

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

Passed this 3rd day of September, 2019, by the City Council of Sunfish Lake.

Dan O'Leary, Mayor

ATTEST:

Catherine Iago, City Clerk

**NOTICE OF MEETING TO CONSIDER BUDGET AND TAX LEVY FOR
THE CITY OF SUNFISH LAKE, MINNESOTA FOR YEAR 2020**

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 2020 at the regularly scheduled City Council meeting on the following date:

- December 3, 2019, at 7:00 p.m. at St. Anne's Church located at 2035 Charlton Road (Highway 62 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 2020. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2020.
- 2.) Receive public comment on the proposed budget and property tax levy for 2020.
- 3.) Determine and approve the final budget and property tax levy for 2020.

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
Budget Analysis
All Funds
Year 2020

08/27/19

	2018	2019	2019	2019	2019	2020			
	Actual	Budget	Actual to 7/31/2019	Full yr estimate As of 7/31	Budget Difference	Budget	\$ Change	% Change	Non Levy Items- general
Revenues									
Property taxes - current	\$ 463,191	\$ 541,593	\$ 281,355	\$ 541,693	\$ -	\$ 531,724	(9,969)	-1.9%	0
Property taxes - delinq	5,108	0	17,551	17,551	17,551	0	0	0.0%	0
Grants	4,886	5,000	4,984	4,984	(16)	5,000	0	0.0%	5,000 Recycle Grant \$5,000
Other grants	8,061	0	0	0	0	0	0	0.0%	0
Other taxes	1,772	1,500	1,683	1,683	183	1,500	0	0.0%	1,500 Small Cities Assistance M.S. 162,145 -not funded for 2020
Gross permits & plan checks	75,780	24,000	52,269	60,000	36,000	24,000	0	0.0%	24,000 NDC4 Franchise Fee
Surtax revenue	578	420	2,652	3,000	2,580	420	0	0.0%	420 Same as 2019
Charges for City services	20	3,000	2,050	3,000	0	3,000	0	0.0%	3,000 Includes Arbor Day Receipts
Fines	4,397	1,000	2,042	2,290	1,290	2,000	1,000	50.0%	2,000
Interest income	3,377	6,000	6,797	7,000	1,000	6,000	0	0.0%	6,000
Subtotal-General and Surtax	545,170	562,613	371,383	641,701	59,088	573,644	(8,959)	-1.6%	41,920
Special Assessments	17,698	31,046	12,643	20,604	(10,442)	17,781	(13,266)	-74.6%	17,781 Total
Bond Fund Levy	53,807	81,585	41,694	81,585	0	138,428	56,843	41.1%	138,428 2014 12,586 2017 5,194
Assessments-Interest	24	0	0	0	0	0	0	0.0%	0
Bond Proceeds	0	0	974,876	974,876	974,876	0	0	0.0%	0
Total Revenues	622,689	695,244	1,400,597	1,718,766	1,023,522	729,853	34,609	4.7%	59,701
Expenditures									
Council expenses	207	400	0	200	(200)	400	0	0.0%	0
Publishing-printing & advertising	1,956	2,400	260	1,300	(1,100)	2,400	0	0.0%	0 Includes attorney publications
Mayor	0	878	571	938	60	878	0	0.0%	0
City Administrator	5,133	6,215	3,685	6,215	(0)	6,401	186	2.9%	0 2019 estimated +3%
City Clerk	15,774	16,171	9,257	16,171	0	16,656	485	2.9%	0 2019 estimated +3%
Elections	1,519	600	617	616	16	2,100	1,500	71.4%	0 Presidential Election Year
Postage	271	600	32	300	(300)	600	0	0.0%	0
Treasurer	22,051	22,684	13,223	22,684	0	23,365	681	2.9%	0 2019 estimated +3%
Bank charges	60	120	60	60	(60)	120	0	0.0%	0 Same
City Attorney	44,681	36,000	20,050	36,000	0	36,000	0	0.0%	0 Per City Attorney
City Planner	25,219	30,000	14,467	30,000	0	30,000	0	0.0%	0 Per Planner - same as 2019
Police	102,368	104,242	60,808	104,242	0	105,284	1,042	1.0%	0 Per WSP Finance Director 1% increase
Fire protection	53,264	73,131	37,204	74,408	1,277	69,246	(3,885)	-5.6%	0 Per Kristen Schabacher-Mendoza Heights reflects costs for Fire Hall remodeling
Signal lighting	81	90	58	90	0	90	0	0.0%	0
Due to City Inspector	12,315	19,200	44,928	52,800	33,700	19,200	0	0.0%	0 80% of Permit income + plan check fees
Septic system administration	561	600	552	552	(48)	600	0	0.0%	0

City of Sunfish Lake
Budget Analysis
All Funds

	2018	2019	2019	2019	2019	2020	Change	% Change		2014	2017	2019
Year 2019	Actual	Budget	Actual to 7/31/2019	Full yr estimate	Budget	Budget	\$	%				
City Engineer	36,516	32,000	20,556	33,888	1,888	44,300	12,300	27.8%	Monthly, NPDES, LGU Role, Mapping & General			
Road maintenance/improve	11,654	9,100	9,760	12,935	2,935	18,100	9,000	49.7%	Street sweeping, sign replacement (CIP), bituminous & shoulder maintenance			
Capital improvements	75,910	117,230	52,161	986,037	868,807	138,380	21,150	15.3%	Per capital improvement plan			
Charlton road maint	4,921	13,000	4,802	8,053	(4,947)	0	(13,000)	-100.0%	Gravel, grading, Sunfish Outlet cleaning & dust control			
Street lighting	875	800	473	723	123	600	0	0.0%				
Sign maintenance/mark	0	0	0	0	0	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	38,273	35,000	38,430	42,000	7,000	38,000	3,000	7.9%	Per City Engineer			
Recycling	2,108	5,000	3,009	5,509	0	5,000	0	100.0%	Recycling coordinator and expenses per City Administrator			
City Forester	11,401	20,188	6,881	20,188	0	20,794	606	2.9%	Per Jim Naves-no change 3% increase			
Forestry expenses	3,965	4,800	1,583	3,583	(1,217)	4,500	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	2,728	1,200	0	1,200	0	1,140	(60)	-5.3%	Camp program & public education materials			
Insurance	1,948	2,800	(19)	2,525	(275)	2,800	0	0.0%	League of MN Cities, Workers Comp			
Memberships	3,489	4,400	3,314	4,400	0	4,500	500	10.2%	League of MN Cities, Lower Mississippi, Metro, et al			
Rent	3,625	3,900	2,275	3,900	0	4,200	300	7.1%	Per lease agreement with St. Anne's Church (this is 5th year of 5 year lease)			
Office Supplies & Expense	636	1,440	160	1,000	(440)	1,440	0	0.0%	Same as 2018			
Surfax payments	0	420	1,105	760	340	420	0	0.0%				
Website Expenses	0	360	0	360	0	4,000	3,640	91.0%	Webmaster			
Miscellaneous	14,423	500	432	500	0	500	0	0.0%				
Add to cash reserve	34,816											
Subtotal-General & Surfax	497,284	605,554	350,692	1,473,187	868,233	608,184	2,630	0.4%		2014	2017	2019
Bond Interest	24,165	22,690	22,690	22,690	0	46,669	23,979	51.4%	Per bond schedules	4,953	9,065	32,652
Bond Principle	67,000	67,000	67,000	67,000	0	75,000	8,000	10.7%	Per bond schedules	35,000	40,000	-
Total expenditures	590,467	695,244	440,382	1,563,477	868,233	729,853	34,609	4.7%				
Net increase(decrease) in reserve	32,232	0	960,215	155,289	155,289	(0)						

Summary & Tax Rate Analysis

General Revenue	481,163	541,693
Bond Fund-Lewy	81,957	81,585
Total	563,120	623,278
Tax Rate	0.26178	0.26168

	2019	2020	2020	2020	2019	2020
Budget Balance	531,724	-1,84%	484,850	-10.49%	Unchanged	478,419
Levy \$	69.67%	7.52%	623,278	0.00%	Unchanged	138,428
Levy \$	0.26441	8.69%	0.26452	1.09%	Unchanged	616,847
Difference	623,278		46,874		Difference	623,278
						(6,431)

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City of Sunfish Lake
Budget Analysis
Year 2020

	2019	2019	Inc/(Dec)	% change
Revenue				
General Levy	\$ 531,724	\$ 541,693	\$ (9,969)	-1.8%
2009A Bond Levy	-	28,100	(28,100)	-100.0%
2014A Bond Levy	19,175	19,259	(84)	-0.4%
2017A Bond Levy	33,938	34,226	(288)	-0.8%
2019A Bond Levy	85,314	-	85,314	100.0%
Subtotal	670,152	623,278	46,874	7.5%
All other	59,701	71,966	\$ (12,265)	-17.0%
Total	729,853	695,243	34,610	5.0%
Expenditures				
	729,853	695,243	34,610	5.0%
Total	\$ 729,853	\$ 695,243	\$ 34,610	5.0%

City of Sunfish Lake
Comparison of Average Home Values & Impact of Proposed Tax Rate Certified to Dakota County
2020 Proposed Budget

Pay	2019 Mean	2020 Mean	% Change	2019 Median	2020 Median	% Change
Taxable Market Value	994,482.00	978,315.00	-1.63%	928,900.00	921,400.00	-0.81%
Tax Capacity:						
1% First \$500,000	9,944.82	9,783.15		9,289.00	9,214.00	
1.25% over \$500,000	12,431.03	12,228.94		11,611.25	11,517.50	
Total Tax Capacity	22,375.85	22,012.09	-1.63%	20,900.25	20,731.50	-0.81%

Tax Rate Comparisons:

Recommended:						
Balanced Budget 8/27/19	0.26168	0.28441	8.69%	0.26168	0.28441	8.69%
City Property tax	5,855.31	6,260.46	6.92%	5,469.18	5,896.25	7.81%

Other options:

Tax Rate Unchanged	0.26168	0.26168	0.00%	0.26168	0.26168	0.00%
City Property tax	5,855.31	5,760.12	-1.63%	5,469.18	5,425.02	-0.81%
Tax Levy \$ Unchanged	0.26168	0.26452	1.09%	0.26178	0.26452	1.05%
City Property tax	5,855.31	5,822.64	-0.56%	5,471.27	5,483.90	0.23%

City of Sunfish Lake
Property Tax Levy History

8/27/2019

	<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>	Proposed <u>2020</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
Debt Service Levy	28,000	28,200	28,400	27,600	40,300	41,461	41,827	81,957	81,585	138,428
Total	390,800	421,200	414,900	414,900	429,889	471,484	514,063	563,120	623,278	670,152
Less Haca and Lpa/Lga	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
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>7.52%</u>

City of Sunfish Lake
2020 Proposed Budget

Taxable Market Value Comparison

	2019	%	Preliminary 2020	%	\$ Change	% Change	New Construction	% Change w/o New
Residential	206,506,929	99.2%	204,668,997	99.2%	(1,837,932)	-0.9%	1,182,000	-1.5%
Personal Property	1,601,000	0.8%	1,605,700	0.8%	4,700	0.3%	-	0.3%
Totals	208,107,929	100.0%	206,274,697	100.0%	(1,833,232)	-0.9%	1,182,000	-1.4%

Tax Capacity Value Comparison

	2019	%	Preliminary 2020	%	\$ Change	% Change	New Construction	% Change w/o New
Residential	2,347,269	98.7%	2,325,073	98.7%	(22,196)	-0.9%	14,309	-1.6%
Personal Property	31,095	1.3%	31,184	1.3%	89	0.3%	0	0.3%
Totals	2,378,364	100.0%	2,356,257	100.0%	(22,107)	-0.9%	14,309	-1.5%