

## City Council Joint Committee

### 1. Agenda

Documents:

[1. 2018-09-18 JOINT AGENDA.PDF](#)

### 2. 2. Facilities Discussion With School District Representatives

Documents:

[2. SCHOOL DISTRICT FACILITIES DISCUSSION.PDF](#)

### 3. 3. Budget Work Session #5

Documents:

[3. BUDGET WORK SESSION 5.PDF](#)

Please contact the City Administrator's Office if you need special accommodations while attending this meeting



**City Council Joint Committee  
Tuesday, September 18, 2018 at 6:00 pm  
City Hall – Public Meeting Room**

---

AGENDA

1. Call to Order
2. Facilities Discussion with School District Representatives
3. Budget Work Session #5
4. Future Discussion Items
5. Adjourn



## Council Committee Memorandum

**TO:** Joint Committee  
**FROM:** Tim Murray, City Administrator  
**MEETING DATE:** September 18, 2018  
**SUBJECT:** Facilities Discussion with School District  
Representatives

---

### Discussion:

The Superintendent (Todd Sesker) and several other representatives of the Faribault School District will be at the Joint Committee for a discussion with the Council on what the City might like to see happen in the future with School District facilities. They will be giving a presentation and then answer questions and take input from the Council with regards to future school facility improvements.



## Council Committee Memorandum

**TO:** Joint Committee  
**FROM:** Tim Murray, City Administrator  
**MEETING DATE:** September 18, 2018  
**SUBJECT:** Budget Work Session #5

---

### Discussion:

Based upon discussion with Council at the previous budget work session, and following meetings with all the department heads to review their individual budgets and capital improvement plans, staff have made some revisions and adjustments to the proposed preliminary budget.

The primary items to be covered at this work session are:

- Establishment of the preliminary levy amount (for adoption at the 9/25/2018 City Council meeting)
- Confirming the proposed levies for the Housing and Redevelopment Authority (HRA) and Economic Development Authority (EDA)
- Finalizing the contribution amounts to civic organizations (recommendations from the Finance Committee are attached)
- Estimated tax impacts to property owners

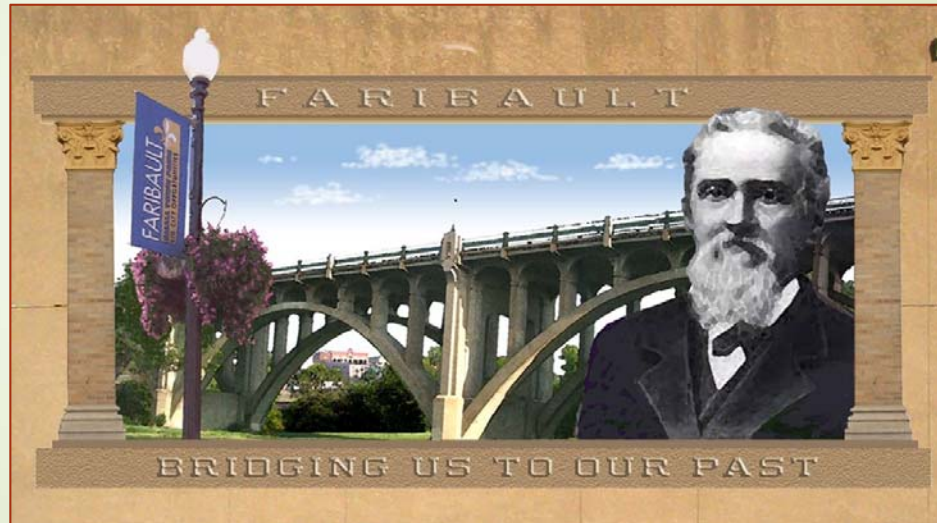
Staff will go through a presentation at the meeting that will outline the various levy components/amounts, reaching a proposed preliminary levy amount for consideration. As a reminder, the preliminary levies need to be set at the 9/25/2018 Council meeting and then submitted to the County. At the time of final budget adoption in December, we can decrease the levy amounts, but cannot increase them. Over the next two-three months we will continue to work on the budget and have work sessions with the Council to ultimately determine the final levy amount to be certified.

### Attachments:

- Civic Organization Funding (Proposed) – Finance Committee Recommendations
- Budget Work Session #5 – Presentation
- HRA 2019 Levy Resolution
- EDA 2019 Levy Resolution

# 2019 Budget Work Session

September 18, 2018



## Work Session #5 – Primary Items

- **Establish Preliminary Tax Levy Amount**
  - Amount Set at 9/25/2018 Council Meeting
  - Certified to Rice County
  - Can be Decreased/Can't be Increased
  - Final Levy to be Adopted at 12/11/2018 Council Meeting (Budget Hearing Date)
- **Approve Civic Organization Funding Amounts**
- **Review Estimated Tax Impacts to Property Owners**
  - Residential (Homestead)
  - Commercial/Industrial
- **Confirm HRA & EDA Requested Levy Amounts**

## Preliminary Tax Levy Summary

### Funds Supported by Tax Levy

- General Fund (101)
- Library Fund (224)
- Community Development Fund (240)
- Airport (225)
- Miscellaneous Levies (Special PERA/Tax Abatement)
- Debt Service Funds
- Capital Improvement Funds
  - Streets (401)
  - Vehicles & Equipment (431)
  - Public Facilities/Parks (437/404)

## Civic Organization Funding

Recommendations from 9/4 Finance Committee

	2017	2018	2019	Change
Senior Center	42,000	39,500	39,500	0
FCTV (22.5% of cable)	56,493	59,217	59,128	-89
Heritage Days	4,500	4,500	5,000	500
Teen Activities	1,500	1,500	1,500	0
Paradise Center-Operating	3,000	2,000	3,000	1,000
Paradise Center-Capital Campaign	5,000	10,000	10,000	0
Rice County Historical Society	10,500	12,000	12,500	500
<b>Airfest/Balloon Rally</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>-5,000</b>
	<b>127,993</b>	<b>133,717</b>	<b>130,628</b>	<b>-3,089</b>

## Funding Requests for Non-Profits

- ▶ **Council Position on Expanding List (5)**
  - Request Received from RBNC
- ▶ **Establish Parameters**
- ▶ **Outline Review Process**
  - Finance Committee
- ▶ **Determine Budget Allocation**
  - Franchise Fees
  - General Levy

## Position Upgrade Recommendations

1. **C.E.D. – Admin. Assistant I (PT to FT)**  
Estimate = \$45,900
2. **Parks Maintenance – HEO to Foreperson**  
Estimate = \$15,400
3. **Police – Captain to Deputy Chief and  
Sergeant to Captain**  
Estimate = \$40,000

**Total Estimate = \$101,300**

## 2019 Proposed Tax Levy

### Operating Levy:

▀ General Fund	\$ 6,129,387
▀ Library	\$ 853,366
▀ Comm. & Econ. Dev	\$ 136,176
▀ Airport	\$ 30,000

### Miscellaneous Levies:

▀ Special PERA Levy	\$ 12,544
▀ Tax Abatement Projects	\$ 38,940

## 2019 Proposed Tax Levy

### Capital Improvements Levy:

▀ Street Improvements (401)	\$ 600,000
▀ Capital Replacement (431)	\$ 125,000
▀ Public Facilities (437)	\$ 150,000
▀ Park Improvements (404)	\$ 100,000

Debt Service Levy: \$ 1,055,000

Levy for Position Upgrades: \$ 101,300

**PROPOSED 2019 PRELIM. LEVY = \$ 9,331,713**



## Tax Levy History

<u>Year</u>	<u>Total Tax Levy</u>	<u>Change</u>
<b>2014</b>	<b>\$6,758,722</b>	<b>-0.24%</b>
<b>2015</b>	<b>\$6,880,685</b>	<b>+1.80%</b>
<b>2016</b>	<b>\$7,503,833</b>	<b>+9.06%</b>
<b>2017</b>	<b>\$7,999,280</b>	<b>+6.60%</b>
<b>2018</b>	<b>\$8,658,704</b>	<b>+8.24%</b>
<b>2019</b>	<b>\$9,331,713</b>	<b>+7.77%</b>

## Tax Rate Change Based on Preliminary Levy Amount

	2018	2019	Change	
Net Tax Capacity	\$15,387,835	\$17,222,177	+ \$1,834,342	+11.9%
Levy Amount	\$ 8,658,704	\$ 9,331,713	+ \$ 673,009	+7.77%
Tax Rate	57.182%	55.012%	- 2.17%	- 3.80%

**Total Increase in Levy Amount = \$ 673,009**

**New Construction/Growth Amount = \$ 419,560 (4.84%)**

**Remaining Amount = \$ 253,449 (2.93%)**

### Estimated Change for Tax Levy Increase of 7.77% - Residential (Homestead)

	2018	2019	Change
Market Value of \$138,500	\$650.16	\$625.48	-\$24.68
- w/ 5% Increase in EMV		\$667.29	+\$17.13
- w/ 10% Increase in EMV		\$708.55	+\$58.39
Market Value of \$200,000	\$1,033.85	\$994.61	-\$39.25
- w/ 5% Increase in EMV		\$1,054.57	+\$20.72
- w/ 10% Increase in EMV		\$1,114.53	+\$80.68
Market Value of \$300,000	\$1,657.14	\$1,594.23	-\$62.91
- w/ 5% Increase in EMV		\$1,683.90	+\$26.76
- w/ 10% Increase in EMV		\$1,774.12	+\$116.98

### Estimated Change for Tax Levy Increase of 7.77% - Commercial/Industrial

	2018	2019	Change
Market Value of \$250,000	\$2,430.24	\$2,337.99	-\$92.25
- w/ 2.5% Increase in EMV		\$2,406.75	-\$23.49
- w/ 5% Increase in EMV		\$2,475.52	+\$45.28
Market Value of \$1,000,000	\$11,007.58	\$10,589.72	-\$417.85
- w/ 2.5% Increase in EMV		\$10,864.78	-\$142.80
- w/ 5% Increase in EMV		\$11,139.84	+\$132.26
Market Value of \$5,000,000	\$56,753.35	\$54,598.95	-\$2,154.39
- w/ 2.5% Increase in EMV		\$55,974.24	-\$779.11
- w/ 5% Increase in EMV		\$57,349.53	+\$596.18

## Other Tax Levies

### Housing & Redevelopment Authority (HRA)

- Maximum Amount Requested
- $0.0185\% \times \$1,241,695,100 = \$229,713$
- Increase of \$12,348 (5.68%) from 2018

### Economic Development Authority (EDA)

- Maximum Amount Requested
- $0.01813\% \times \$1,241,695,100 = \$225,119$
- Increase of \$12,101 (5.68%) from 2018



Questions & Discussion



**FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION 2018-06**

**ESTABLISHING A PRELIMINARY PROPERTY TAX LEVY  
FOR FISCAL YEAR 2019**

**WHEREAS**, the Housing and Redevelopment Authority of Faribault may request the establishment of a special benefit tax levy pursuant to Minnesota Statute §469.033, Subdivision 6; and

**WHEREAS**, according to this Statute, "The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of the taxable market value"; and

**WHEREAS**, the levy calculation per Minnesota Statute §469.033 amounts to a maximum of \$229,713 for taxes payable 2019 as shown in Exhibit A.

**NOW, THEREFORE BE IT RESOLVED** by the Housing and Redevelopment Authority of Faribault that there be and there is hereby levied on the taxable property of the City of Faribault, Rice County, Minnesota for fiscal year 2019, a special benefit tax levy not to exceed \$229,713 per the Proposed 2018 Budget on file with the City.

**ADOPTED:** August 13, 2018

Faribault Housing and Redevelopment Authority

\_\_\_\_\_  
Brendan Kennedy, Chairperson

ATTEST:

\_\_\_\_\_  
Matt Speckhals, Vice Chair/Secretary

## Exhibit A

### FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY GENERAL FUND PRELIMINARY 2019 HRA LEVY CALCULATIONS

#### Authority

Minnesota Statutes 469.033, Subdivision 6

"The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of the taxable market value."

#### Maximum Levy Calculation

Taxable Market Value	1,241,695,100
Percentage Allowed	0.0185
Maximum Levy	229,713

#### HRA Levy History

<u>Year</u>	<u>Gross Levy*</u>	<u>Net Levy</u>	<u>% of Gross Levy</u>
1998	74,703	67,000	
1999	56,325	48,622	
2000	71,356	63,611	89%
2001	75,568	67,864	90%
2002	100,267	100,267	100%
2003	105,280	105,280	100%
2004	124,330	124,330	100%
2005	139,552	139,552	100%
2006	156,357	156,357	100%
2007	177,288	177,288	100%
2008	188,107	188,107	100%
2009	270,690 **	211,834	78%
2010	273,620	234,468	86%
2011	266,485	234,468	88%
2012	251,068	239,157	95%
2013	219,726	219,726	100%
2014	197,300	197,300	100%
2015	197,300	197,300	100%
2016	201,682	201,682	100%
2017	206,937	206,937	100%
2018	217,365	217,365	100%
2019	229,713	229,713	100%

\*Assumes \$7,704 HACA for years 1990-2001

\*\*The percentage allowed was increased by the 2008 Legislature from .0144 to .0185.

**ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT**

**Resolution 2018-17**

**RESOLUTION APPROVING PRELIMINARY EDA  
PROPERTY TAX LEVY REQUEST FOR FISCAL YEAR 2019**

**WHEREAS**, the Economic Development Authority of the City of Faribault may request the establishment of a special benefit tax pursuant to Minnesota Statutes 469.107, Subdivision 1; and

**NOW, THEREFORE BE IT RESOLVED** by the Economic Development Authority of Faribault that there be and hereby requested a levy on the taxable property of the City of Faribault, Rice County, Minnesota for fiscal year 2019 a special benefit tax not to exceed 0.01813 percent of taxable market value as permitted in Minnesota Statutes. Based upon the City's existing capacity, it is estimated that \$225,119 will be the maximum appropriation available through taxation; the requested tax levy amount is \$225,119.

Adopted: August 16, 2018

ECONOMIC DEVELOPMENT AUTHORITY  
OF FARIBAULT

\_\_\_\_\_  
Steve Underdahl, President

ATTEST:

\_\_\_\_\_  
Dave Albers, Secretary/Treasurer

**FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY  
GENERAL FUND  
PRELIMINARY 2019 EDA LEVY CALCULATIONS**

**Authority**

Minnesota Statutes 469.107, Subdivision 1

"A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be not more than 0.01813 percent of the taxable market value."

**Maximum Levy Calculation**

Taxable Market Value	1,241,695,100
Percentage Allowed	0.01813
Maximum Levy	225,119

**EDA Levy History**

<u>Year</u>	<u>Net Levy</u>	<u>% of Max Levy</u>
1998	---	
1999	50,000	
2000	60,000	
2001	70,000	
2002	126,239	
2003	132,551	
2004	156,536	100%
2005	175,700	100%
2006	196,858	100%
2007	223,211	100%
2008	236,832	100%
2009	265,276	100%
2010	265,276	99%
2011	261,155	100%
2012	246,047	100%
2013	215,331	100%
2014	193,354	100%
2015	193,354	100%
2016	197,649	100%
2017	202,798	100%
2018	213,018	100%
2019	225,119	100%