

BUDGET OVERVIEW FY 2020/21

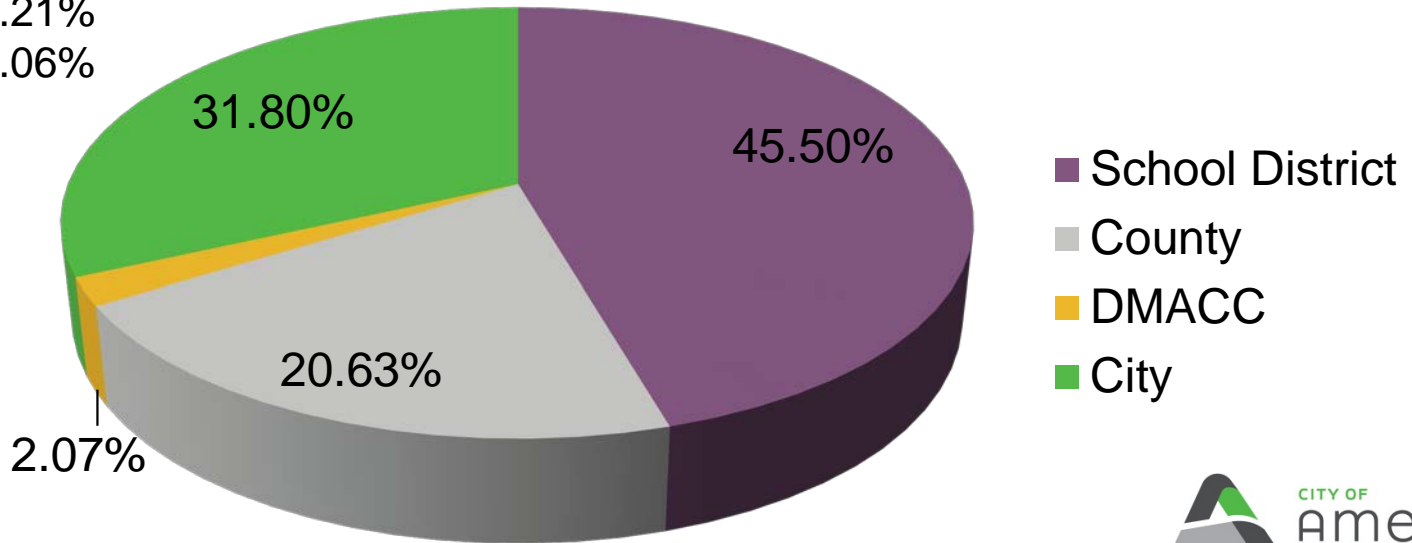


FINANCE DEPARTMENT

Property Taxes 2019/20 Rates

Previous Year's Rates

School	45.67%
County	20.06%
DMACC	2.21%
City	32.06%



Overall Budget

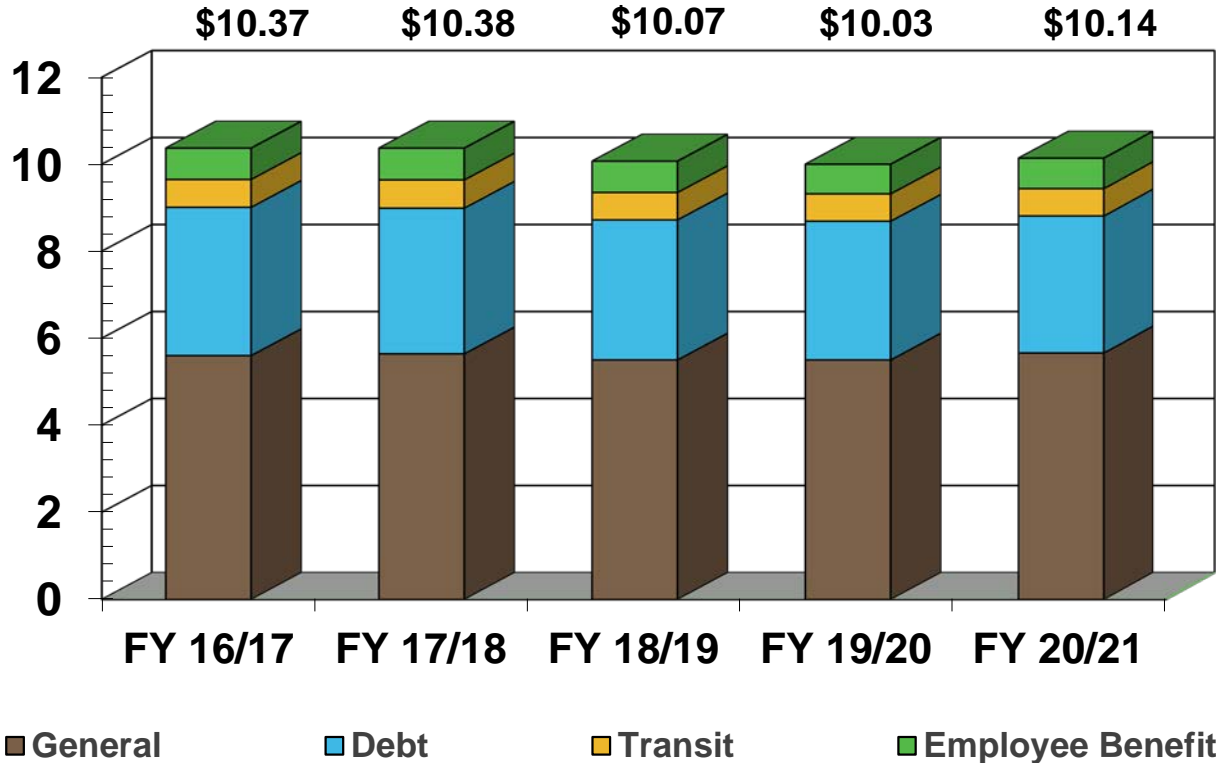
- Property tax rate is up \$0.12 from FY 19/20
- Lowest rate of increase in taxable value in over 10 years
- Modest increase in total tax dollars, though not evenly spread across classes of property
- Balanced General Fund budget for operations and capital
- Forecasting 5% growth in Local Option Sales Tax revenue
- Utility rate increases for water and sewer

Tax Levy Breakdown

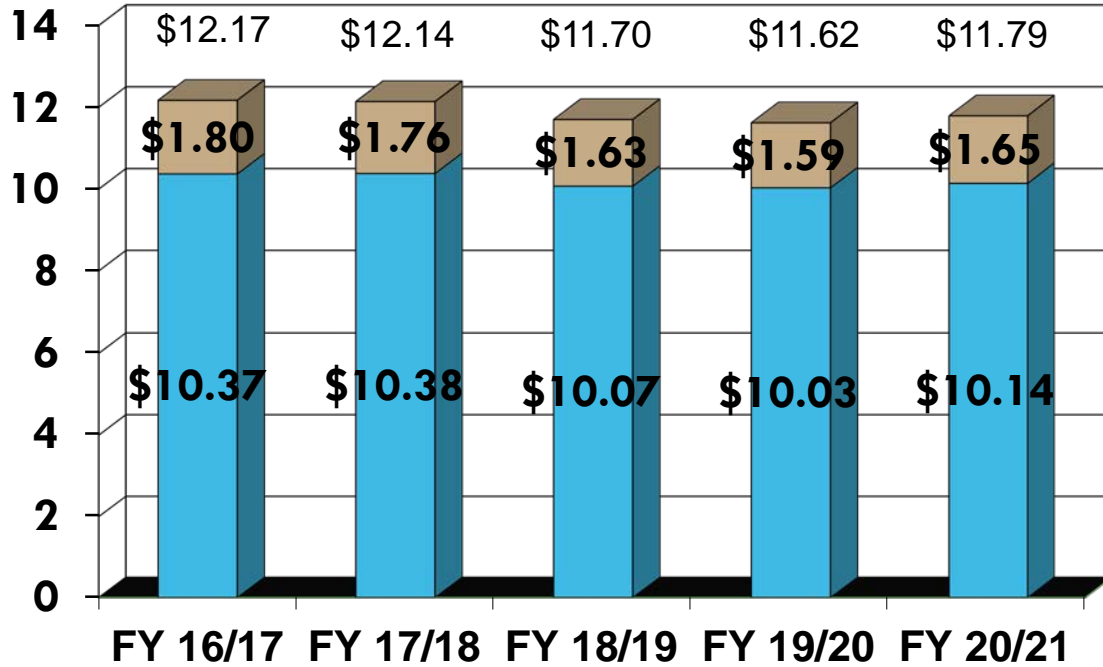
Taxable Valuation	\$ 3,112,286,020
Percentage Change	1.1%
TIF Valuation Available for Debt Service	\$ 75,857,137

Levy Type	Levy Rate Per \$1,000	Dollar Value of Levy
General	5.65635	\$ 17,604,186
Employee Benefits	0.69970	2,177,651
Transit	0.63633	1,980,445
Total W/O Debt Svc.	6.99238	21,762,282
Debt Service	3.15027	10,043,500
TOTAL LEVIED TAXES	10.14265	\$ 31,805,782

Total Tax Levy/\$1,000 Taxable Valuation



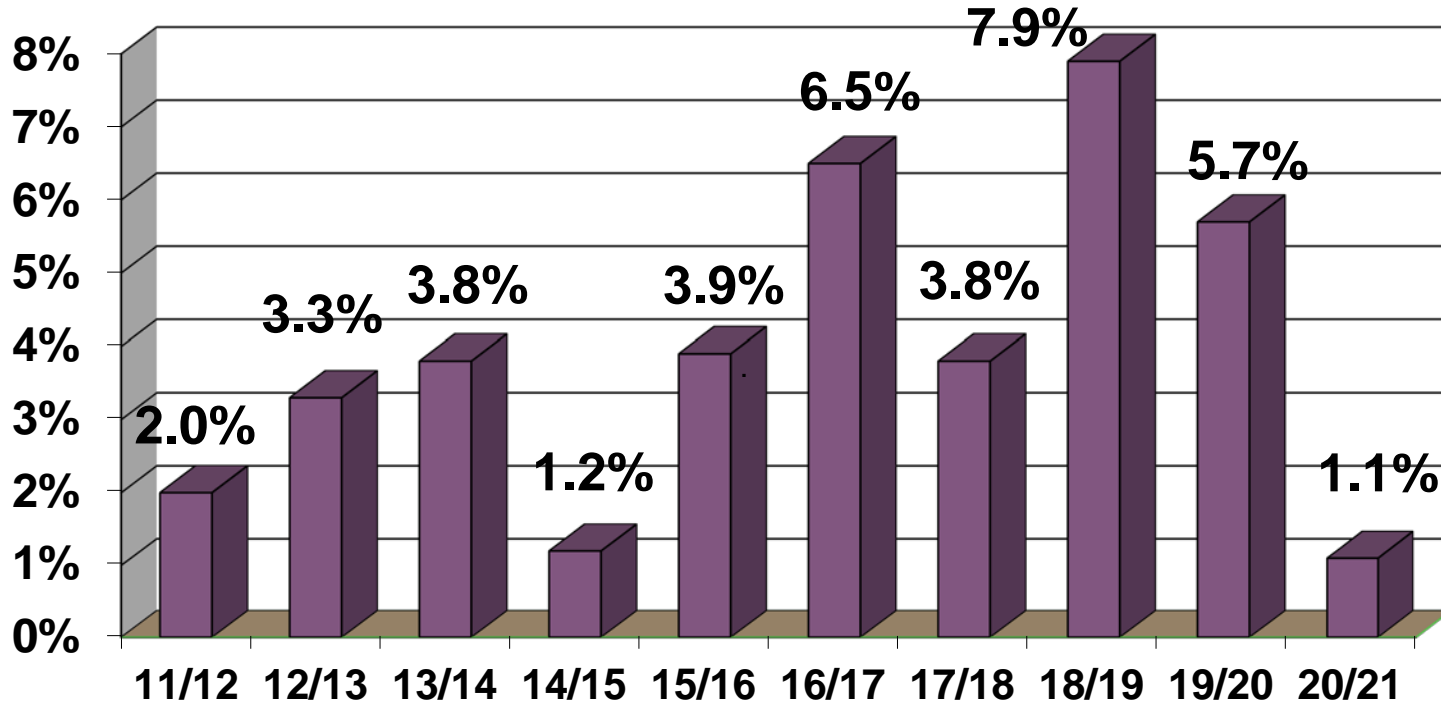
Local Option Tax Impact on Levy



■ Total Tax Levy

■ Local Option Tax

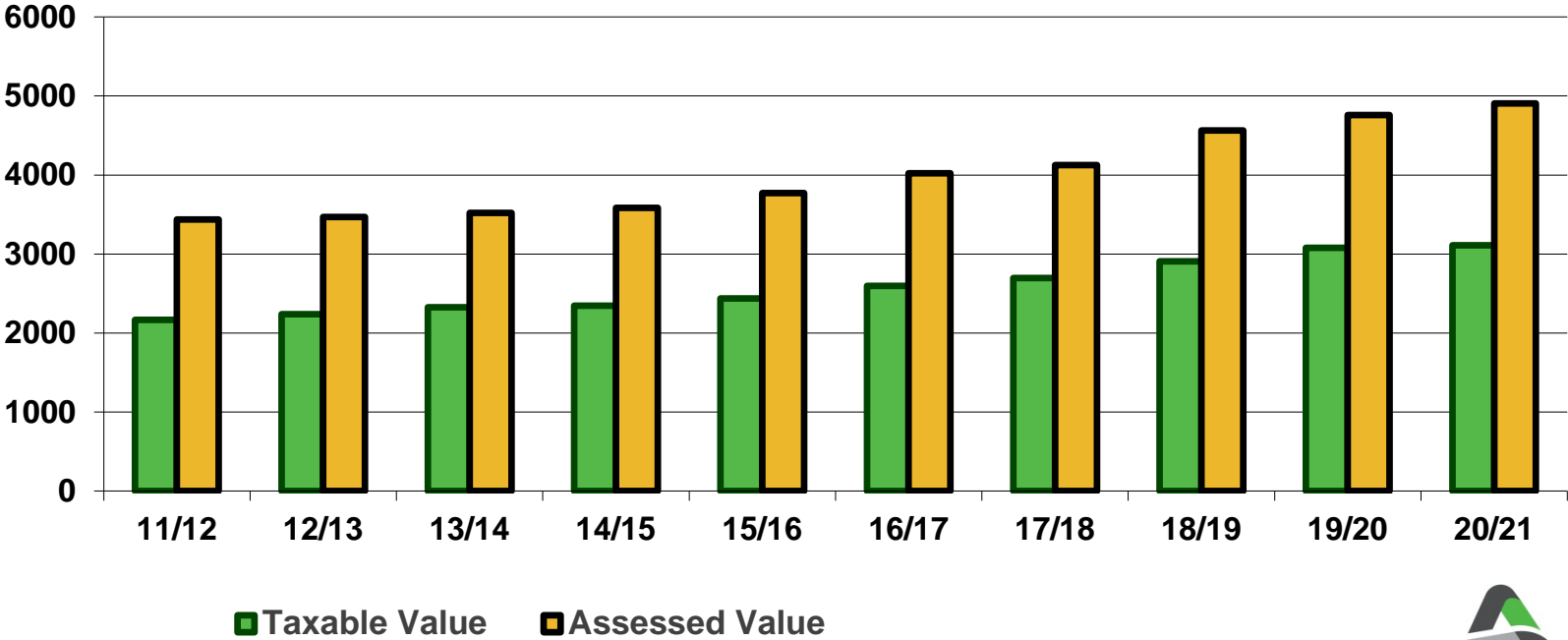
Taxable Valuation – Percentage Change



Assessed and Taxable Value

Property Type	Valuation January 1, 2018 Property Tax Payable 19-20		Valuation January 1, 2019 Property Tax Payable 20-21		Dollar Value Change		Percentage Change	
	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value
Residential	3,548,646,174	2,019,762,039	3,602,940,093	1,984,198,690	54,293,919	(35,563,349)	1.53%	-1.76%
Commercial/Multi Res.	1,038,972,300	898,197,320	1,133,983,558	968,320,242	95,011,258	70,122,922	9.14%	7.81%
Industrial	157,933,848	142,098,648	157,037,512	139,481,242	(896,336)	(2,617,406)	-0.57%	-1.84%
Utilities	15,161,620	14,191,683	15,149,489	14,076,331	(12,131)	(115,352)	-0.08%	-0.81%
Total Valuation Less Military Exemption	4,760,713,942	3,074,249,690	4,909,110,652	3,106,076,505	148,396,710	31,826,815	3.12%	1.04%
	2,179,804	2,179,804	2,127,948	2,127,948	(51,856)	(51,856)	-2.38%	-2.38%
Net Valuation	4,758,534,138	3,072,069,886	4,906,982,704	3,103,948,557	148,448,566	31,878,671	3.12%	1.04%
Utilities Subject to Excise		7,838,712		8,337,463		498,751		6.36%
Total Taxable Value		3,079,908,598		3,112,286,020		32,377,422		1.05%

Property Valuation in \$ Millions



Changes in Taxable Value

Property Type	Total Change in Taxable Value	Change Due New Property Improvements	Change Due Transfers Class Change	Change Due to Increased Valuations of Existing	Change Due New & Expiring Exemptions*	Change Due State Rollback Adjustment	Net Change on Existing Property
Residential	(35,563,349)	34,496,000	(10,888,000)	764,000	5,493,000	(65,428,349)	(64,664,349)
Commercial/Multi Res.	70,122,922	54,769,000	5,222,000	56,337,000	(38,113,000)	(8,092,078)	48,244,922
Industrial	(2,617,406)	16,491,594	231,000	(3,726,000)	(15,614,000)	-	(3,726,000)
Utilities	(115,352)	-	-	(115,352)	-	-	(115,352)
Total Valuation Change	31,826,815	105,756,594	(5,435,000)	53,259,648	(48,234,000)	(73,520,427)	(20,260,779)
Less Military Exemption	(51,856)	-	-	(51,856)	-	-	(51,856)
Change in Net Valuation	31,878,671	105,756,594	(5,435,000)	53,311,504	(48,234,000)	(73,520,427)	(20,208,923)
Percentage Change In Taxable Value	1.04%	3.44%	-0.18%	1.74%	-1.57%	-2.39%	-0.66%

Debt Service Fund Balance

CURRENT AND PROPOSED DEBT SERVICE

Debt Service Issues	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Current Outstanding	10,300,127	9,649,378	8,444,709	7,749,220	7,073,674	6,453,356
<i>New/Proposed Issues</i>						
<i>*Tax Supported Issue Amount</i>						
FY 2021 \$10,681,900		1,073,126	1,073,126	1,073,126	1,073,126	1,073,126
FY 2022 \$11,055,400	-	-	1,110,648	1,110,648	1,110,648	1,110,648
FY 2023 \$12,231,200	-	-	-	1,237,813	1,237,813	1,237,813
FY 2024 \$10,670,700	-	-	-	-	1,072,000	1,072,000
FY 2025 \$10,346,600	-	-	-	-	-	1,039,441
TOTAL DEBT SERVICE	10,300,127	10,722,504	10,628,483	11,170,807	11,567,261	11,986,384
State Replacement Tax	320,004	304,004	304,004	304,004	304,004	304,004
Use of Debt Service Fund Bal.	-	375,000	-	225,000	190,000	135,000
Net Debt Service	9,980,123	10,043,500	10,324,479	10,641,803	11,073,257	11,547,380
Debt Service Levy	3.19314	3.15027	3.14408	3.14632	3.17853	3.21808

(Assumes 3.0% Annual Growth in Taxable Value) *Tax Supported Debt Service Excludes Abated Debt



Dollar Value of Levy by Type

Property Type	FY 2019/20 Tax Levy	FY 2020/21 Tax Levy	Dollar Change	Percentage Change
Residential	20,249,267	20,125,034	(124,233)	-0.61%
Commercial/Multi Res.	9,004,940	9,821,333	816,393	9.07%
Industrial	1,424,620	1,414,709	(9,911)	-0.70%
Utilities	142,280	142,771	491	0.35%
TIF (Debt Service Only)	145,556	238,970	93,414	64.18%
Total Tax Levy	30,966,663	31,742,817	776,154	2.51%
Less Military Exemption	21,854	21,583	(271)	-1.24%
Tax Asking Before Excise	30,944,809	31,721,234	776,425	2.51%
Utilities Subject to Excise	78,584	84,548	5,964	7.59%
TOTAL TAXES	31,023,393	31,805,782	782,389	2.52%

Levy Change Analysis by Dollar

<u>Property Type</u>	Total Change	Change Due To New Property	Net Change On Existing Property	Change Due to Rollback	Change Due To Rate Adj. 0.11708	Total Change On Existing Property
Residential	(124,233)	349,881	(46,971)	(663,617)	236,474	(474,114)
Commercial/Multi Res.	816,393	555,503	237,804	(82,075)	105,161	260,890
Industrial	(9,911)	167,268	(193,816)	-	16,637	(177,179)
Utilities	491	-	(1,171)	-	1,662	491
TIF (Debt Service Only)	93,414	101,816	(13,739)	-	5,337	(8,402)
Total Tax Levy	776,154	1,174,468	(17,893)	(745,692)	365,271	(398,314)
Less Military Exemption	(271)	-	(271)			(271)
Plus Excise Tax	5,964	-	5,964			5,964
Net Tax Asking	782,389	1,174,468	(11,658)	(745,692)	365,271	(392,079)

Taxable Valuation by Type

Property Type	Taxable Value Fiscal Year 17/18	Taxable Value Fiscal Year 18/19	Taxable Value Fiscal Year 19/20	Taxable Value Fiscal Year 20/21	Assessed Value Fiscal Year 20/21
Residential	64.26%	65.69%	65.74%	63.93%	73.42%
Commercial/Multi Res.	30.26%	29.20%	29.24%	31.20%	23.11%
Industrial	5.08%	4.76%	4.63%	4.49%	3.20%
Utilities	0.49%	0.43%	0.46%	0.45%	0.31%
Gross Taxable Valuation	100.09%	100.08%	100.07%	100.07%	100.04%
Less Military Exemption	0.09%	0.08%	0.07%	0.07%	0.04%
Net Valuation	100.00%	100.00%	100.00%	100.00%	100.00%

Sample Tax

	FY 2019/20 Tax Levy	FY 2020/21 Tax Levy	Dollar Change	Percentage Change
City Rate				
Per \$1,000 Taxable Valuation	10.02557	10.14265	0.11708	1.17%
<u>Residential</u>				
100% Valuation	\$ 100,000.00	\$ 100,000.00		
Rollback Adjustment	56.9180%	55.0743%		
Taxable Value	\$ 56,918.00	\$ 55,074.30		
City Tax	\$ 570.64	\$ 558.60	\$ (12.04)	-2.11%
<u>Commercial</u>				
100% Valuation	\$ 100,000.00	\$ 100,000.00		
Rollback Adjustment	90%	90%		
Taxable Value	\$ 90,000.00	\$ 90,000.00		
City Tax	\$ 902.30	\$ 912.84	\$ 10.54	1.17%
<u>Industrial</u>				
100% Valuation	\$ 100,000.00	\$ 100,000.00		
Rollback Adjustment	90%	90%		
Taxable Value	\$ 90,000.00	\$ 90,000.00		
City Tax	\$ 902.30	\$ 912.84	\$ 10.54	1.17%

Sample Tax Adjusted Value

(Valuations increased by average assessment increase by property class)

	<u>FY 2019/20</u>	<u>FY 2020/21</u>	<u>Dollar</u>	<u>Percentage</u>
	<u>Tax Levy</u>	<u>Tax Levy</u>	<u>Change</u>	<u>Change</u>
City Rate				
Per \$1,000 Taxable Valuation	10.02557	10.14265	0.11708	1.17%
<u>Residential</u>				
100% Valuation	\$ 100,000.00	\$ 100,037.83		
Rollback Adjustment	56.9180%	55.0743%		
Taxable Value	\$ 56,918.00	\$ 55,095.13		
City Tax	\$ 570.64	\$ 558.81	\$ (11.83)	-2.07%
<u>Commercial</u>				
100% Valuation	\$ 100,000.00	\$ 106,272.23		
Rollback Adjustment	90%	90%		
Taxable Value	\$ 90,000.00	\$ 95,645.01		
City Tax	\$ 902.30	\$ 970.09	\$ 67.79	7.51%
<u>Industrial</u>				
100% Valuation	\$ 100,000.00	\$ 97,377.88 *		
Rollback Adjustment	90%	90%		
Taxable Value	\$ 90,000.00	\$ 87,640.09		
City Tax	\$ 902.30	\$ 888.90	\$ (13.40)	-1.49%

Change in Property Tax Payment

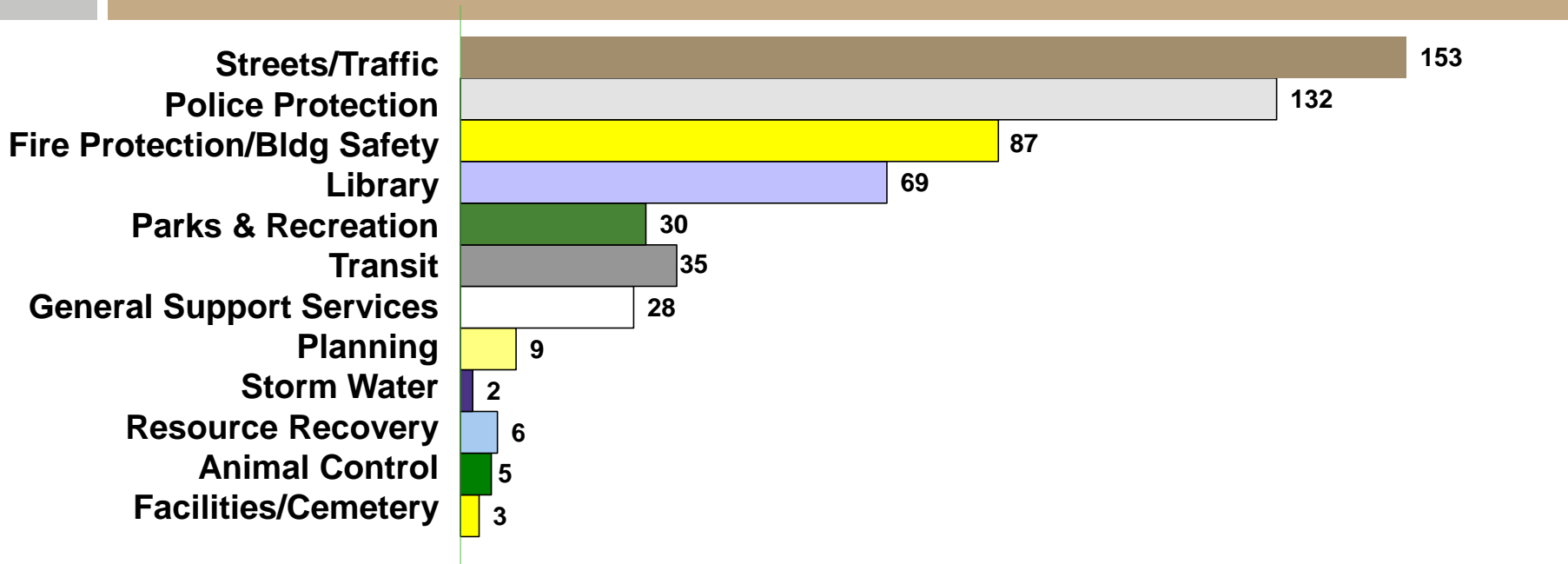
(Adjusted for Changes in Valuation)

FY	Residential Class % Change	Commercial Class % Change	Industrial* Class % Change
2020/21	(2.07)	7.51	(1.49)
2019/20	2.05	(0.53)	(0.43)
2018/19	3.45	(0.44)	(3.27)
2017/18	2.82	0.87	0.03
2016/17	0.95	1.45	1.28
Average	1.44	1.77	(0.78)

In FY 2015/16 and FY 2014/15 the Commercial and Industrial classes of property were rolled back 5% each year going from being taxed at 100% of value to taxed at 90% of value.

*Industrial classified property is a small sample and change in value to class may not be reflective of individual properties.

Cost of City Services



Taxes Per \$100,000 of Assessed Residential Valuation
Includes Debt Service

Utility Rates

To support the Capital Improvements Plan over the next five years, rate increases will be required in several City Utilities.

Current estimated rate increases:

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Electric	-	-	-	-	-
Water	2.0%	8.0%	2.0%	9.0%	2.0%
Sewer	5.0%	-	5.0%	-	8.0%
Storm Sewer	-	-	5.0%	-	-
Resource Recovery	-	*	*	-	-

*Resource Recovery Rate Changes:

FY 21/22 Application of 2020 Census Will Increase Per Capita Revenue

FY 22/23 Tipping Fee Increase \$58.75 to \$62.50



Utility Bill Rate Samples

MEDIAN USE RESIDENTIAL CUSTOMERS

Electric / Water Use	Electric Summer	Storm Water	Water Summer	Sewer	Total
600 kWh and 600 cf	\$81.10	\$4.95	\$26.44	\$27.95	\$140.44
Electric ECA	-\$3.96				-\$3.96
Totals	\$77.14	\$4.95	\$26.44	\$27.95	\$136.48
Increase Due to Rate Change	\$0.00	\$0.00	\$0.53	\$1.40	\$1.93
Totals	\$77.14	\$4.95	\$26.97	\$29.35	\$138.41
% Impact on Total Bill					1.41%

Utility Bill Rate Samples

MEDIAN USE COMMERCIAL (LP)

Electric / Water Use	Electric Summer	Storm Water	Water Summer	Sewer	Total
60,000 kWh and 15,000 cf	\$6,221.55	\$14.85	\$515.15	\$434.03	\$7,185.58
Electric ECA	-\$396.00				-\$396.00
Totals	\$5,825.55	\$14.85	\$515.15	\$434.03	\$6,789.58
Increase Due to Rate Change	\$0.00	\$0.00	\$10.30	\$21.70	\$32.00
Totals	\$5,825.55	\$14.85	\$525.45	\$455.73	\$6,821.58

% Impact on Total Bill

0.47%