



City of North Mankato, Minnesota

To: Mayor Dehen & City Council
From: John D. Harrenstein, City Administrator
Date: August 8, 2016
Re: 2017 Proposed Budget

Overview

Total budgeted expenditures proposed in 2017 for the City of North Mankato are approximately \$20,321,000 compared to \$19,727,000 estimated to be spent by the end of 2016. The increased spending of approximately \$595,000 is largely attributed to capital expenditures in the streets and parks systems, water and wastewater utilities, and remaining bond proceeds from the Roe Crest Reconstruction project that will be spent in 2017. Staff recommends the tax rate remain flat at 53.6% for 2017.

General Fund revenues are estimated to increase by approximately \$230,000 fueled by a 2.0% anticipated growth in the tax base (\$128,000), increasing fire and police insurance premiums (\$20,000), increased chargers for service associated with field revenue, banquet fees and concessions at Caswell Park (\$67,000), an increase in League of Minnesota Cities insurance dividends and a bi-yearly fireworks donation from Civic and Commerce (\$44,000). A decrease in expected building permit revenues in the amount of \$37,000.

Expenditures in the General Fund are proposed to increase by \$355,000. The increases are attributed to technology upgrades for the City Council (\$5,000), increased funding for the Pavement Management Plan (\$30,000), increased costs associated with minimum wage increases at the Spring Lake Swim Facility (\$17,000), increased tournament expenditures at Caswell Park (\$23,000), increased allocation for the Parks Master Plan (\$176,000), additional part-time staff for the Taylor Library (\$23,000), better appropriated miscellaneous costs (\$44,000), and increased funding for transit and the tapestry program (\$16,495).

A 3% merit increase is proposed for the 2017 Budget. Total staffing is proposed to remain constant at 58 total Full Time Equivalents in 2017. However, staff is proposing the Council consider the option to increase staffing in the Streets department by one full-time equivalent entry level maintenance worker. If approved, reductions will be made to the capital allocations for the pavement management system and the parks plan. The estimated cost for the employee is \$75,000 in year one.

Utility Rate Increases

Water Fund

The 2017 Water Fund budget proposed \$2,030,000 in revenue and \$2,300,000 in expenditures. This includes a base rate increase of \$3.00/meter/month and is expected to generate \$200,000 in additional revenue. While the 2014 rate increases were successful in stabilizing the fund and reducing the need to borrow for small capital projects, several issues are present that require the rate increase. First, payment for Well #9 was not proposed to be covered with the previous rate increase. Now that this project is completed, it is prudent to examine rates. Second, over the last four out of five years, water usage has decreased. While good for conservation efforts, declining water use decreases the amount of revenue collected. Third, staff recommends cash capital outlay contributions increase by \$200,000 per year for a total of \$300,000 annually. The intended purpose of this allocation is to again reduce annual borrowing in the fund. For example, the water portion of the Roe Crest Dr. project totaled \$250,000 and was included in the 2016A Bond Issuance. If rates are increased, staff believes the possibility exists to begin

funding the water portion of capital projects with cash. Even with the increase, staff acknowledges water fund expenditures are estimated to exceed revenues over the next three years. The largest difference in revenues and expenditures occurs in 2017 as a result of the 2015 Refunding Bonds. Please note, even with expenditures exceeding revenues, existing and projected cash balances in the Water Utility Fund meet the Reserve Fund Policy requirements adopted by the City Council and rates remain very affordable compared to our regional peers.

Wastewater Fund

The 2017 Wastewater fund budget proposes \$2,274,000 in revenue and \$2,341,000 in expenditures. This includes a base rate increase of \$3.60/meter/month and is expected to generate \$170,000 in additional revenue. Like the water fund, the 2014 rate increases were successful in bringing stability to the fund. However, like the water fund, decreasing water use impacts wastewater revenue collections and the wastewater fund faces increasing capital costs associated regular capital outlay and costs associated with the treatment of wastewater. The purpose of the proposed 2017 rate increase is to increase cash capital contributions for infrastructure projects increasing the total amount budgeted by \$100,000 in year one.

The 2015B refunding bond also increased the rate of payment on debt associated with the wastewater fund and expenditures are expected to exceed revenues in the forecast through 2019. Cash balances in the fund will adhere to the reserve targets adopted by the City Council.

It should be noted, that in addition to this rate increase and following the completion of the Mankato Wastewater Treatment Master Plan in 2017, an additional wastewater rate increase is likely.

Area Utility Rates (based on 5,000 gallon monthly use)			
City	Water	Sewer	Total
North Mankato - Current	\$22.15	\$28.86	\$51.01
North Mankato - Proposed	\$25.15	\$32.46	\$57.61
Mankato	\$28.61	\$29.11	\$57.72
Eagle Lake	\$24.85	\$38.00	\$62.85
New Ulm	\$29.00	\$34.60	\$63.60
Willmar	\$18.39	\$49.36	\$67.75
Waseca	\$25.00	\$48.26	\$73.26
Le Sueur	\$22.25	\$80.50	\$102.75
St. Peter	\$50.24	\$70.80	\$121.04

Water		
	Current	Proposed
Base Rate	\$5.00	\$8.00
Cost per 1,000	\$3.43	\$3.43
Sewer		
	Current	Proposed
Base Rate (up to 2,250 gal)	\$11.40	\$15.00
Cost per 1,000 (over 2,250 gal)	\$6.35	\$6.35

Pavement Management Plan (Well Planned & Maintained Infrastructure)

The 2017 Budget allocates an additional \$50,000 in spending for bituminous overlays.

In 2014 the City Council adopted a Pavement Management plan that recommended a total of \$564,000 annual spending for seal coating and bituminous overlay. In 2015 the City set aside \$322,000 or 57% for this program, in 2016 the City Council set aside \$472,000 or 84% of the recommended amount, and in 2017 staff proposes to fund the program in the amount of \$522,000 or 92% of the yearly anticipated cost. This demonstrates real action on plans adopted by the City Council and on the benefit of strategic planning in general.

Parks Plan / Conservation Management (Outstanding Recreational Assets)

The 2017 Budget allocates an additional \$145,000 for efforts relating to completion of the Parks Master Plan. The 2016 Budget allocated \$200,000 or 55% of the recommended amount toward completion of the plan and the 2017 Budget allocates \$345,000 or 95% of the recommended amount for the plan for the plan. Again, this confirms the benefits of strategic plans in directing resources toward important public services.

CDGB Fund

The 2017 budgets \$67,000 in CDGB funds for expenditures, but outstanding questions regarding whether or not the allocation will be made as a result of new HUD requirements are not yet resolved. At this time, staff is budgeting for the expenditure, but does not anticipate the allocation being made.

Recycling and Solid Waste Funds

During the 2015 audit presentation discussion was held on the cash balances of the solid waste and recycling fund. The proposed budget presents fiscal stability in the funds for current years and forecasted years. Unless activity we are unaware of presents itself during the fiscal year, rates will not need to be raised to accommodate the funds.

Citizen Engagement Activities Linked to the Budget

In April of 2016, city staff conducted and compiled the North Kato Ideas Questionnaire and Brewing Ideas for North Mankato. The results of that work is included in the budget document and some action will be taken on the items prioritized by citizens earlier this year. More discussion regarding these projects will be held during the Capital Improvement Plan budgeting sessions.

Summary

The 2017 proposed budget builds on a foundation of strategic planning. Funding for a variety of programs approved by the City Council ensures North Mankato may continue its promise to citizens of a community that is safe, growing, recreational, and focused on strengthening neighborhoods for existing and future generations.

**CITY OF NORTH MANKATO
BUDGET CALENDAR
FISCAL YEAR 2017 BUDGET**

April 29	Finance Director distributes budget calendars, budget worksheets and capital improvement worksheets to all Department Heads.
May-June	Department Heads submit budget and capital improvement requests.
July 11-22	Finance Director assembles preliminary City budget.
July 25	Finance Director presents preliminary City budget to City Administrator
July 29	Deadline for Department of Revenue to certify Local Government Aid to be paid in 2017.
August 1	Last day for officers of volunteer firefighters' relief association paying lump sum pensions to estimate accrued liability of the fund for the following year and certify requirements to the City Council.
August 15 (6:00 p.m.)	Council Budget Workshop.
September 6 (6:00 p.m.)	Council Budget Workshop.
September 19	The City Council adopts the proposed property tax levy and announces 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 Nov. 23 and before December 26, and must start at or after 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.
September 30	Deadline for City to adopt proposed budget by resolution and certify to the county auditor the proposed property tax levy for taxes payable in the following year. Cities must provide the county auditor with the following information: The time and place of the meeting at which the budget and levy will be discussed and public input allowed. (Again, meeting must occur after Nov. 23 and before December 26, and must not start before 6 p.m.), a phone number that city tax payers may call if they have questions related to the auditor's property tax notice; this does not require listing a private phone number, and an address where comments will be received by mail.
November 11 - 24	Period for county auditors to prepare and county treasurers to mail parcel specific notices of proposed tax levies to taxpayers.
November 21 (6:00 p.m.)	Council Budget Workshop.
November 23	Publish notice of public hearing (not less than 7 days and not more than 30 days before the event).
November 23 - December 26	Period for counties, cities and school districts to hold public hearings to adopt final tax levies.
December 5	City Council holds required Public Hearing for 2017 Budget and 2017-2021 Capital Improvement Plan (1st hearing).
December 19	City Council holds Public Hearing (continuation hearing, if necessary).
December 19	City Council adopts 2017 Budget and Tax Levy and 2017-2021 Capital Improvement Plan.
December 26	Deadline for City to certify final tax levy to county auditor (on or before five working days after December 20 in each year).
December 26	Deadline for cities to certify compliance with Truth in Taxation law to Department of Revenue.
December 28	Deadline for cities to file the Property Tax Levy Report with the Department of Revenue.
January 31	Deadline to submit summary budget information to State Auditor and to publish budget summary in newspaper.



CITY OF
NORTH MANKATO

2015 STRATEGIC PLAN

VISION – North Mankato is a growing and safe community with outstanding recreational assets, well maintained infrastructure, vibrant business districts and neighborhoods, and provides residents with an excellent quality of life.

Goals

Outstanding Recreational Assets

Well Planned & Maintained Infrastructure

Safe Community

Growing & Vibrant Business, Industrial & Residential Districts

Excellent Quality of Life

Strategic Program Areas

Library, Parks & Trails

Public Works & Infrastructure

Public Safety

Community & Economic Development

Legislation, Administration & Public Engagement

Action Steps

- ✓ 11th Annual Art Splash
- ✓ Conduct Community Read
- ✓ Host author presentations
- ✓ Almost 5K Fun Run
- ✓ Implementation Benson Park Prairie Restoration
- ✓ Finish Parks Master Plan
- ✓ Expand Imagination Station services
- ✓ Conduct one fundraising event for the library
- ✓ Develop plan to maximize Caswell North Soccer Fields
- ✓ Determine funding options for Parks Master Plan
- **Remaining**
- Analyze library expansion
- Determine future needs for Spring Lake Swim Facility
- Replace two bridges in Spring Lake Park
- Seal walking trails

- ✓ Implement Pavement Management System
- ✓ Analyze future traffic plan for Webster Avenue & 169 intersection
- ✓ Determine funding options for deferred street maintenance
- ✓ Complete Main Lift Station upgrade
- ✓ Complete improvements to Lookout Drive interchange
- ✓ Conduct regular street maintenance sealing
- ✓ Complete Well #9
- ✓ Begin Wellhead Protection Plan

- ✓ Continue to maintain crime prevention programs
- ✓ Begin searching for options to replace ladder truck
- ✓ Implement new records management system in police department
- ✓ Increase community police involvement in schools
- ✓ Continue improvement in fire safety public education to further decrease calls
- ✓ Utilize training to address changing emergency needs of our community

- ✓ Purchase building permit software
- ✓ Act on portions of Comprehensive Plan
- ✓ Sell five acres in North Port in 2015
- ✓ Determine long term parking strategy for downtown
- ✓ Propose planned unit development language to zoning code
- ✓ Participate in Safe Routes to School initiative
- ✓ Participate in Envision 2020 Process
- **Remaining**
- Orderly Annexation Agreement
- Propose policy for commercial grant & loan program

- ✓ Financial Management system upgrade
- ✓ Develop long term strategy for information technology
- ✓ Implement credit card and online payment system
- ✓ Continue weekly E-newsletter
- ✓ Update Special Assessment Policy
- ✓ Employee Recognition Program
- **Remaining**
- Create Revenue Guide
- Update Personnel Handbook
- Review Storm Water Utility Fee
- Review Debt Policy





Brewing Ideas For North Kato

The City of North Mankato partnered with Envision Lab to emplace a public engagement effort to help clarify and build upon ideas from citizen input through two public engagement design lab sessions held on April 19th and May 10th. These sessions provided an opportunity for residents to come and offer their ideas for the future of North Mankato.

Three questions were designed to build a shared vision and clarify what mattered most to citizens as their community goes forward.

1. What makes people feel connected to North Mankato?

- Hometown Feel
- Community Events
- Support for Businesses
- History of People & Land
- Engaged Local Government

2. What are we noticing?

Opportunities:

- Creative Economy
- Business Expansion
- Diversity of Cultures
- Economic Expansion

Livability:

- Relationships Matter
- Housing
- Parks and Recreation
- Connectivity

3. What are the opportunities for North Mankato?

- Continued Citizen Engagement
- Downtown Redevelopment
- Upper North Redevelopment
- Traffic Flow & Bike Lanes
- Greenway Conservation, Design Guidelines, Historic Preservation

NEXT STEPS

ECONOMIC DEVELOPMENT

- Leverage the recreational facilities in Upper North Mankato to promote entertainment orientated development including lodging, restaurants, and bars.
- Leverage the momentum in the business community in Lower North to support mixed small businesses and local creative economy businesses, the development of diverse small business owners, and spur more arts and culture development.
- Complete traffic study in progress that will assess pedestrian access and safety in the area.

CITIZEN COMMUNICATION & ENGAGEMENT

- Use of web spaces like northkatoideas.com to continue the dialogue and provide feedback on ideas gathered from questionnaire and Brewing events.
- Continue to work on eliminating language barriers to bring in more diverse voices.
- Integrate discussion of recognizing history and design guidelines into the ongoing downtown development plan.

PLACE MAKING

- Placemaking is a multi-faceted approach to the planning, design and management of public spaces.
- Capitalize on the communities assets, inspiration, and potential with the intention of creating public space that promotes peoples health, happiness, and well being.
- Sense of pride and belonging as business growth continues theres an important connection to history, arts and culture.
- Continue to maintain a sense of community as North Mankato continues to grow.

NORTH KATO IDEAS QUESTIONNAIRE

A questionnaire was sent to citizens asking them to rank various projects associated with parks and recreation. We provided a list of sixteen project ideas and participants ranked the top seven projects by level of importance. Additionally participants were asked to share their project ideas. We examined feedback in two different ways to determine what is most important as we move forward with city projects.

910
Responses

21%
Return
Rate

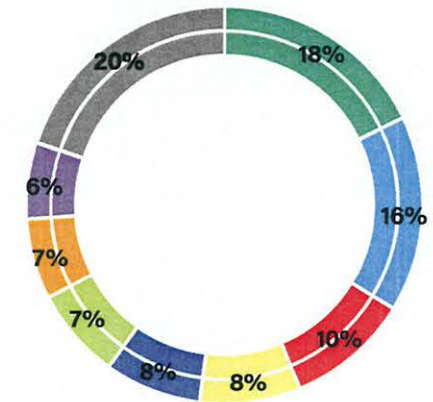
180
Ideas

The following 10 projects were consistently considered most popular by total votes:

- Upgrade Spring Lake Park Swim Facility
- Build a covered shelter/restrooms in Benson Park
- Construct restrooms in Spring Lake Park
- Build Aquatic Facility in Caswell Park
- Re-establish trail from Bluff Park to Spring Lake Park
- Build Ice Arena in Caswell Park
- Improve Pedestrian Safety on Lookout Drive
- Expand the Taylor Library
- Build Indoor Turf Facility at Caswell Park
- Improve Outdoor Hockey Rink and Warming House at Spring Lake Park

RANKED #1

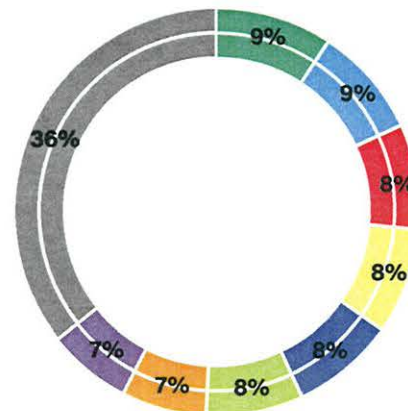
One way of examining the priorities of citizens based on the feedback received on the questionnaire is to rank projects by the number of times a project was selected as #1 (Most Important).



- Build ice arena at Caswell Park
- Build aquatic facility at Caswell Park
- Build a covered shelter & restroom in Benson Park
- Construct restrooms in Spring Lake Park
- Upgrade Spring Lake Swim Facility
- Improve pedestrian safety on Lookout Drive
- Re-establish trail from Bluff Park to Spring Lake Park
- Expand the Taylor Library
- All Other Projects Combined

MOST # OF VOTES

Another way to compare the responses is by ranking projects by the number of times they were selected as a priority regardless if it was ranked as #1, 2, 3, 4, 5, 6, or 7.



BUDGET SUMMARY FOR FY 2017				
2017 PROPOSED EXPENDITURES BY FUND				
Fund	2016	2017	+/-	%+/-
General Fund By Department				
Legislative	\$ 35,091	\$ 40,092	\$ 5,001	14%
General Government	\$ 622,378	\$ 627,626	\$ 5,248	1%
Attorney	\$ 106,300	\$ 108,400	\$ 2,100	2%
Police	\$ 1,855,931	\$ 1,859,788	\$ 3,857	0%
Fire	\$ 340,383	\$ 340,414	\$ 31	0%
Streets	\$ 1,363,970	\$ 1,395,882	\$ 31,912	2%
Maintenance & Equipment	\$ 414,135	\$ 390,548	\$ (23,587)	-6%
Street Lighting	\$ 346,311	\$ 346,363	\$ 52	0%
Swim Facility	\$ 113,376	\$ 130,150	\$ 16,774	15%
Caswell Park	\$ 229,026	\$ 252,066	\$ 23,040	10%
Caswell North	\$ 35,012	\$ 47,046	\$ 12,034	34%
Parks	\$ 666,417	\$ 842,803	\$ 176,386	26%
Library	\$ 528,598	\$ 557,401	\$ 28,803	5%
Bookmobile	\$ 82,371	\$ 82,449	\$ 78	0%
Community Development	\$ 494,811	\$ 497,005	\$ 2,194	0%
Miscellaneous	\$ 5,000	\$ 49,500	\$ 44,500	890%
Area Agency Dispersments	\$ 198,173	\$ 214,668	\$ 16,495	8%
Transfers	\$ 220,770	\$ 231,885	\$ 11,115	5%
General Fund (Total)	\$ 7,658,053	\$ 8,014,086	\$ 356,033	5%
Water	\$ 2,249,827	\$ 2,279,783	\$ 29,956	1%
Wastewater	\$ 2,225,461	\$ 2,270,949	\$ 45,488	2%
Solid Waste	\$ 754,553	\$ 787,181	\$ 32,628	4%
Recycling	\$ 575,043	\$ 428,871	\$ (146,172)	-25%
Storm Water	\$ 274,855	\$ 276,253	\$ 1,398	1%
Debt Service Fund	\$ 2,928,964	\$ 2,900,532	\$ (28,432)	-1%
Community Development Block Grant	\$ 67,602	\$ 67,600	\$ (2)	0%
Local Option Sales Tax	\$ 503,144	\$ 524,869	\$ 21,725	4%
Capital Facilities & Equipment Replacement	\$ 519,000	\$ 232,800	\$ (286,200)	-55%
Construction Funds	\$ 1,340,000	\$ 1,824,589	\$ 484,589	36%
Port Authority - General Fund	\$ 78,756	\$ 78,991	\$ 235	0%
Joint Economic Development Fund	\$ 144,479	\$ 140,500	\$ (3,979)	-3%
Federal Revolving Loan	\$ -	\$ -	\$ -	
Local Revolving Loan	\$ -	\$ -	\$ -	
TIF 8 - Marigold	\$ 61,923	\$ 77,244	\$ 15,321	25%
TIF 14 - Webster Avenue	\$ 8,388	\$ 8,229	\$ (159)	-2%
TIF 17 - National Dentex	\$ 13,436	\$ 13,436	\$ -	0%
TIF 2 - Webster Avenue (FX Fusion)	\$ 10,201	\$ 10,050	\$ (151)	-1%
TIF 18 - LJP	\$ 79,468	\$ 79,468	\$ -	0%
TIF 20 - Ziegler	\$ 90,514	\$ 90,513	\$ (1)	0%
TIF 1-19 422 Belgrade	\$ 30,090	\$ 29,740	\$ (350)	-1%
TIF 19 - Lindsay Windows	\$ 16,062	\$ 16,464	\$ 402	3%
TIF 21 - Allstate	\$ 26,518	\$ 27,151	\$ 633	2%
TIF 23 - D&K Powdercoating	\$ -	\$ 45,128	\$ 45,128	
Public Access	\$ 55,770	\$ 56,333	\$ 563	1%
Charitable Gaming	\$ 15,000	\$ 15,000	\$ -	0%
Library Endowment	\$ -	\$ 27,000	\$ 27,000	
TOTAL ALL GOVERNMENT	\$ 19,727,107	\$ 20,322,760	\$ 595,653	3%

COMPARABLE CITY TAX LEVIES & TAXABLE MARKET VALUES IN NICOLLET COUNTY (CITY RATE ONLY)

Ranked by "City" Tax Rate (highest lowest)	Comparable Cities	Population	2016 Budget Yr City Tax Rate	Tax Levy	2016 Budget Yr Taxable Market Value
1	Lafayette City	481	57.491	\$ 104,383	\$ 302,122,400
2	Nicollet City	1,120	57.005	\$ 336,598	\$ 53,900,800
3	North Mankato	13,684	53.631	\$ 5,791,720	\$ 929,936,900
4	St. Peter City	11,784	47.278	\$ 13,828	\$ 474,573,000
5	Mankato City	41,202	43.624	\$ 23,327	\$ 2,983,000
6	Courtland City	635	32.763	\$ 172,800	\$ 51,130,000
7	Belgrade Twp	1,031	18.068	\$ 360,699	\$ 232,441,900
8	Oshawa Twp	500	10.539	\$ 170,179	\$ 184,652,900
9	Granby Twp	228	10.405	\$ 115,000	\$ 150,153,200
10	Nicollet Twp	506	9.506	\$ 129,359	\$ 178,961,400
11	Courtland Twp	593	8.961	\$ 130,160	\$ 190,622,100
12	Lafayette Twp	679	8.950	\$ 203,600	\$ 302,122,400
13	Lake Prairie Twp	650	6.580	\$ 166,000	\$ 314,358,300
14	West Newton Twp	411	6.486	\$ 95,000	\$ 204,450,200
15	Traverse Twp	334	5.799	\$ 64,999	\$ 134,562,300
16	Brighton Twp	145	5.284	\$ 32,000	\$ 82,557,600
17	Ridgely Twp	105	5.243	\$ 25,000	\$ 68,213,600
18	Bernadotte Twp	264	5.050	\$ 80,000	\$ 207,648,400
19	New Sweden Twp	273	4.514	\$ 83,000	\$ 227,641,800

COMPARABLE CITY OVERLAPPING TAX RATE IN NICOLLET COUNTY (ALL TAXING UNITS)

Ranked by "Overlapping" Tax Rate (highest to lowest)	Comparable Cities	Population	2016 Budget Yr Taxable Market Value	2016 Budget Yr Overlapping Tax Rate
1	St. Peter City	11,784	\$ 474,573,000	137.026
2	Lafayette City	481	\$ 302,122,400	131.780
3	North Mankato	13,684	\$ 929,936,900	130.862
4	Nicollet City	1,120	\$ 53,900,800	124.187
5	Mankato City	41,202	\$ 2,983,000	119.925
6	Courtland City	635	\$ 51,130,000	107.804
7	Oshawa Twp	500	\$ 184,652,900	100.959
8	Lake Prairie Twp	650	\$ 314,358,300	97.000
9	Traverse Twp	334	\$ 134,562,300	96.219
10	Belgrade Twp	1,031	\$ 232,441,900	95.951
11	New Sweden Twp	273	\$ 227,641,800	94.934
12	Nicollet Twp	506	\$ 178,961,400	87.390
13	Bernadotte Twp	264	\$ 207,648,400	86.688
14	Courtland Twp	593	\$ 190,622,100	84.023
15	Lafayette Twp	679	\$ 302,122,400	84.012
16	West Newton Twp	411	\$ 204,450,200	81.548
17	Brighton Twp	145	\$ 82,557,600	80.346
18	Granby Twp	228	\$ 150,153,200	77.691
19	Ridgely Twp	105	\$ 68,213,600	65.576

** Overlapping Tax Rate figures were taken from the "Nicollet County Rates Taxes Payable 2016 Tax Extension Rates Sheet" provided by the Nicollet County Treasury and are representative of the highest available value for city or township available.

COMPARABLE CITY TAX LEVIES & TAXABLE MARKET VALUES IN MINNESOTA (CITY RATE ONLY)

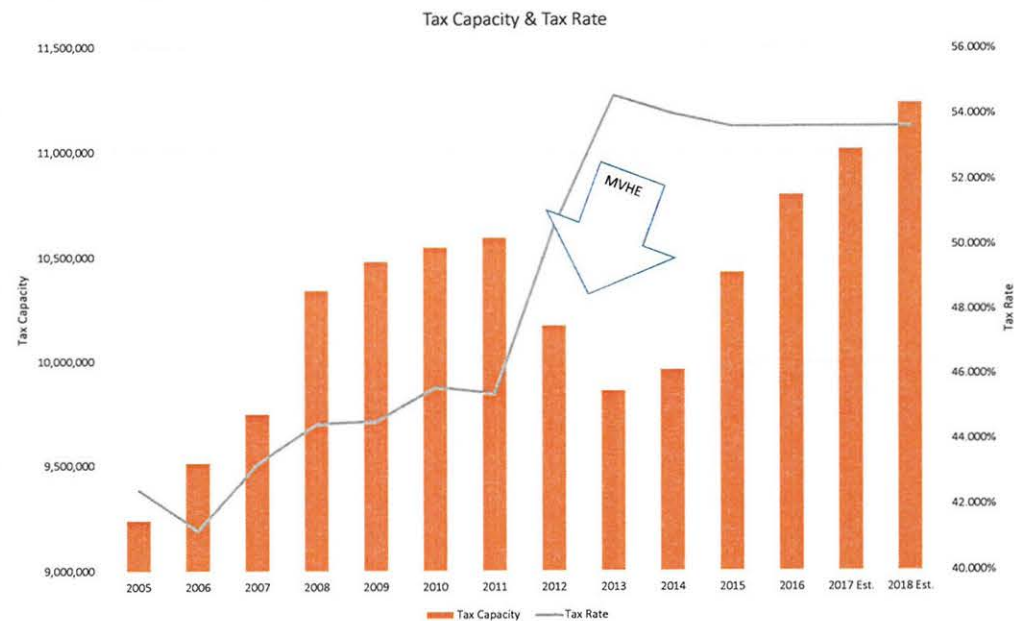
Ranked by "City" Tax Rate (highest lowest)	Comparable Cities	Population	2016 Budget Yr City Tax Rate	Tax Levy	2016 Budget Yr Taxable Market Value
1	Belle Plaine	6,742	89.330	\$ 3,831,063	\$ 461,728,000
2	New Ulm	13,583	80.130	\$ 6,740,270	\$ 695,685,200
3	Brainerd	13,671	74.200	\$ 5,217,732	\$ 572,222,600
4	Hutchinson	14,170	73.970	\$ 6,768,669	\$ 1,169,211,000
5	Jordan	6,150	68.430	\$ 2,657,861	\$ 407,434,500
6	Albert Lea	17,899	64.320	\$ 6,156,598	\$ 892,560,500
7	Owatonna	25,782	59.580	\$ 10,567,982	\$ 1,648,840,300
8	Northfield	20,320	57.560	\$ 7,432,437	\$ 1,119,413,300
9	Faribault	23,700	56.250	\$ 7,503,832	\$ 1,249,859,200
10	Worthington	13,208	55.450	\$ 3,441,718	\$ 577,896,400
11	Buffalo	16,033	54.840	\$ 6,515,376	\$ 1,391,987,000
12	Fergus Falls	13,288	54.830	\$ 5,239,858	\$ 836,549,500
13	North Mankato	13,684	53.631	\$ 5,791,720	\$ 929,936,900
14	Marshall	13,793	51.590	\$ 5,655,730	\$ 869,225,491
15	Fairmont	10,421	47.410	\$ 3,714,680	\$ 613,823,600
16	Sauk Rapids	13,406	46.410	\$ 3,418,359	\$ 609,839,000
17	Mankato	41,727	43.620	\$ 16,620,526	\$ 413,400
18	Shakopee	40,254	37.900	\$ 15,514,563	\$ 3,843,037,400
19	Willmar	19,848	34.480	\$ 4,451,298	

COMPARABLE CITY OVERLAPPING TAX RATE IN MINNESOTA (ALL TAXING UNITS)

Ranked by "Overlapping" Tax Rate (highest to lowest)	Comparable Cities	Population	2016 Budget Yr Taxable Market Value	2016 Budget Yr Overlapping Tax Rate
1	Belle Plaine	6,742	\$ 461,728,000	165.400
2	Hutchinson	14,170	\$ 1,169,211,000	156.000
3	Owatonna	25,782	\$ 1,648,840,300	152.540
4	Sauk Rapids	13,406	\$ 609,839,000	152.170
5	Jordan	6,150	\$ 407,434,500	148.720
6	Albert Lea	17,899	\$ 892,560,500	145.510
7	New Ulm	13,583	\$ 695,685,200	139.480
8	Brainerd	13,671	\$ 572,222,600	134.070
9	Northfield	20,320	\$ 1,119,413,300	133.710
10	Shakopee	40,254	\$ 3,843,037,400	131.980
11	Buffalo	16,033	\$ 1,391,987,000	131.720
12	North Mankato	13,684	\$ 929,936,900	130.862
13	Fergus Falls	13,288	\$ 836,549,500	120.490
14	Faribault	23,700	\$ 1,249,859,200	120.480
15	Willmar	19,848		116.520
16	Worthington	13,208	\$ 577,896,400	112.470
17	Marshall	13,793	\$ 869,225,491	112.270
18	Fairmont	10,421	\$ 613,823,600	108.430
19	Mankato	41,727	\$ 2,983,000	105.980

CITY OF NORTH MANKATO																			
TAXABLE MARKET VALUE, TAX CAPACITY, PROPERTY TAX LEVY AND TAX RATE																			
Tax Payble Year (1)	Total Market Value	Taxable Market Value	Tax Increment Tax Capacity	Total Tax Capacity		Change in Tax Capacity	General Fund Levy	Library Levy	Bookmobile Levy	Comm. Dev. Levy	Parkland Levy	Flood Control Levy	Contingency Levy	Port Authority Levy	Firemans Relief Levy	Debt Service Levy	Abatement Levy	Total Levy	Tax Rate
2002			70,808	7,181,922			1,296,615	209,200	-	-	55,000	-	19,800	45,000	5,899	1,023,080		2,654,594	36.963%
2003		651,364,700	68,043	7,759,133		8.0%	1,507,204	229,140	-	-	55,000	-	19,800	45,000	9,040	1,024,005		2,889,189	37.236%
2004		731,360,800	124,135	8,664,367		11.7%	1,932,949	233,505	-	-	55,000	-	19,800	45,000	12,054	1,108,294	-	3,406,602	39.888%
2005	810,495,800	803,155,100	165,397	9,241,924	1.15%	6.7%	2,203,795	261,023	-	-	55,000	-	19,800	45,000	12,429	1,270,185	57,187	3,924,419	42.462%
2006	834,232,100	832,560,000	178,192	9,514,672	1.14%	3.0%	2,203,795	305,620	-	-	78,500	6,000	25,000	45,000	12,489	1,248,015	-	3,924,419	41.246%
2007	857,502,300	856,965,300	192,264	9,750,656	1.14%	2.5%	2,486,493	325,565	-	-	78,500	6,000	25,000	45,000	12,577	1,239,615	-	4,218,750	43.267%
2008	917,161,600	914,595,000	198,385	10,344,239	1.13%	6.1%	2,714,951	372,830	-	-	78,500	6,000	35,000	65,000	12,817	1,318,471	-	4,603,569	44.503%
2009	945,061,500	926,820,100	182,268	10,484,247	1.13%	1.4%	2,780,856	367,080	10,500	-	8,500	6,000	55,000	65,000	12,935	1,368,208	-	4,674,079	44.581%
2010	935,435,600	929,989,400	189,067	10,551,259	1.13%	0.6%	2,753,574	436,745	12,045	-	8,500	6,000	55,000	65,000	13,303	1,463,987	-	4,814,154	45.626%
2011	915,774,000	915,046,500	80,835	10,598,032	1.16%	0.4%	2,656,357	436,745	12,045	15,978	8,500	6,000	55,000	65,000	32,686	1,525,843	-	4,814,154	45.425%
2012	950,583,400	870,672,800	52,436	10,177,574	1.17%	-4.0%	3,103,154	419,405	39,831	15,978	-	6,000	50,000	65,000	22,740	1,430,015	-	5,152,123	50.598%
2013	925,270,700	847,806,500	242,538	9,861,666	1.16%	-3.1%	3,195,028	444,353	42,109	3,282	-	12,000	55,005	74,479	33,856	1,523,672	-	5,383,784	54.566%
2014	933,833,600	856,917,400	240,045	9,963,464	1.16%	1.0%	3,778,784	-	-	-	-	-	-	75,000	-	1,530,000	-	5,383,784	54.009%
2015	983,644,400	898,894,600	255,229	10,432,202	1.16%	4.7%	3,991,414	-	-	-	-	-	-	75,000	-	1,441,457	88,543	5,596,414	53.820%
2016	1,013,909,400	919,768,100	257,824	10,804,237	1.17%	3.6%	4,177,929	-	-	-	-	-	-	75,000	-	1,430,128	111,347	5,794,404	53.631%
2017 Est.	1,047,300,700	938,163,462	262,980	11,020,322	1.17%	2.0%	4,282,256	-	-	-	-	-	-	75,000	-	1,440,953	112,083	5,910,292	53.631%
2018 Est.	1,068,246,714	956,926,731	268,240	11,240,728	1.17%	2.0%	4,400,462	-	-	-	-	-	-	75,000	-	1,437,828	115,208	6,028,498	53.631%

(1) Nicollet County estimate for 2017 taxable market value and tax capacity.



Tax capacity is a unique property taxing tool that is equivalent to multiplying the taxable market value of a property by its relevant class rate. The local tax rate of a taxing jurisdiction is determined by dividing the jurisdiction's levy by the jurisdiction's taxable net tax capacity. Rates often move in the opposite direction of tax capacity as shown in the chart above.

Historical Property Tax and Value for a North Mankato Residence
Example of How the Property Tax Rate Affects Residents
Single Family / Owner Occupied
One Story Frame / 1,231 Square Feet on 0.386 Acres
Three Bedrooms / Two Baths



Years Receive Tax \$	Co Appraised Market Value	Market Value Homestead Exclusion (2)	Taxable Market Value	Net Tax Capacity Value	City Tax Rate	City Tax Amount	Nicollet County Tax Rate	Nicollet County Tax Amount	Region 9 Tax Rate	Region 9 Tax Amount	HRA Tax Rate	HRA Tax Amount	School District #77 Tax Rate	School District Tax Amount (3)	Total Overlapping Tax Rate (3)	School District Referendum Tax Amount	Total Tax Amount	Market Value Homestead Credit (1)	Total Tax Due
2013	\$156,500	-\$23,200	\$133,300	\$1,333	54.566	\$727	52.031	\$694	0.188	\$3	0.352	\$5	18.924	\$252	126.061	\$262	\$1,942	\$0	\$1,942
2014	\$156,500	-\$23,200	\$133,300	\$1,333	54.009	\$720	51.244	\$683	0.173	\$2	0.323	\$4	24.078	\$321	129.827	\$242	\$1,973	\$0	\$1,973
2015	\$160,700	-\$22,800	\$137,900	\$1,379	53.620	\$739	49.380	\$680	0.153	\$2	0.301	\$4	22.600	\$312	126.054	\$254	\$1,991	\$0	\$1,991
2016	\$172,600	-\$21,700	\$150,900	\$1,509	53.631	\$809	52.661	\$794	0.165	\$2	0.315	\$5	23.401	\$353	130.173	\$266	\$2,229	\$0	\$2,229
2017 est. - 0%	\$172,600	-\$21,700	\$150,900	\$1,509	53.631	\$809	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$1	NA
2017 est. - 3%	\$177,778	-\$21,200	\$156,578	\$1,566	53.631	\$840	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$2	NA
2017 est. - 5%	\$181,230	-\$20,900	\$160,330	\$1,603	53.631	\$860	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$3	NA

(1), (2) - In 2011, the market value homestead credit (1) program was eliminated for taxes payable in 2012 and beyond, and was replaced with a homestead market value exclusion (2).

(3) - School District Tax Rate and Amount do not include voter approved levies.

Historical Property Tax and Value for a North Mankato Residence
Example of How the Property Tax Rate Affects Residents
Single Family / Owner Occupied
Two Story Frame / 1,352 Square Feet on 0.275 Acres
Four Bedrooms / Three Baths

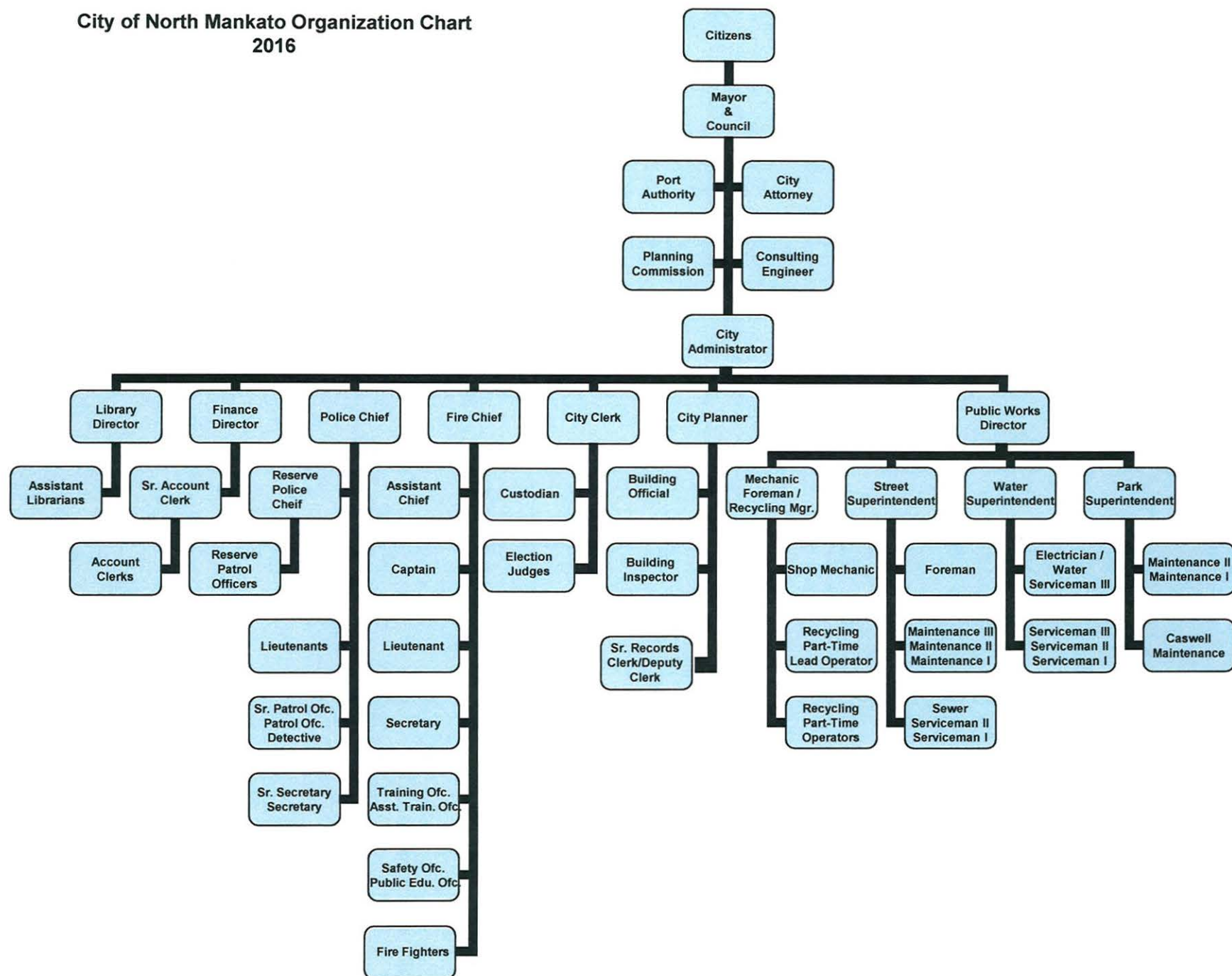


Years Receive Tax \$	Co Appraised Market Value	Market Value Homestead Exclusion (2)	Taxable Market Value	Net Tax Capacity Value	City Tax Rate	City Tax Amount	Nicollet County Tax Rate	Nicollet County Tax Amount	Region 9 Tax Rate	Region 9 Tax Amount	HRA Tax Rate	HRA Tax Amount	School District #77 Tax Rate	School District Tax Amount (3)	Total Overlapping Tax Rate (3)	School District Referendum Tax Amount	Total Tax Amount	Market Value Homestead Credit (1)	Total Tax Due
2013	\$250,100	-\$14,700	\$235,400	\$2,354	54.566	\$1,284	52.031	\$1,225	0.188	\$4	0.352	\$8	18.924	\$445	126.061	\$418	\$3,385	\$0	\$3,385
2014	\$250,100	-\$14,700	\$235,400	\$2,354	54.009	\$1,271	51.244	\$1,206	0.173	\$4	0.323	\$8	24.078	\$567	129.827	\$387	\$3,443	\$0	\$3,443
2015	\$287,300	-\$11,400	\$275,900	\$2,759	53.620	\$1,479	49.380	\$1,362	0.153	\$4	0.301	\$8	22.600	\$584	126.054	\$493	\$3,931	\$0	\$3,931
2016	\$299,300	-\$10,300	\$289,000	\$2,890	53.631	\$1,550	52.661	\$1,522	0.165	\$5	0.315	\$9	23.444	\$638	130.216	\$501	\$4,225	\$0	\$4,225
2017 est. - 0%	\$299,300	-\$10,300	\$289,000	\$2,890	53.631	\$1,550	53.661	\$1,551	1.165	\$34	1.315	\$38	24.444	\$667	134.216	\$502	\$4,342	\$1	\$4,343
2017 est. - 3%	\$308,279	-\$9,500	\$298,779	\$2,988	55.631	\$1,662	54.661	\$1,633	2.165	\$65	2.315	\$69	25.444	\$721	140.216	\$503	\$4,653	\$2	\$4,655
2017 est. - 5%	\$314,265	-\$9,000	\$305,265	\$3,053	56.631	\$1,729	55.661	\$1,699	3.165	\$97	3.315	\$101	26.444	\$768	145.216	\$504	\$4,898	\$3	\$4,901

(1), (2) - In 2011, the market value homestead credit (1) program was eliminated for taxes payable in 2012 and beyond, and was replaced with a homestead market value exclusion (2).

(3) - School District Tax Rate and Amount do not include voter approved levies.

City of North Mankato Organization Chart 2016



City of North Mankato Full-Time Staffing History							
	2011	2012	2013	2014	2015	2016	Proposed 2017
General Government							
City Administrator	1	1	1	0.5	0.5	0.5	0.5
City Clerk	1	1	1	1	1	1	1
Deputy City Clerk	1	1	1	1	0	0	0
Finance Director	1	1	1	0.5	0.5	0.5	0.5
Senior Account Clerk	1	1	1	0.5	0.5	0.5	0.5
Part-time Account Clerk	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Custodian	1	1	1	1	1	1	1
General Government Total	6.50	6.50	6.50	5.00	4.00	4.00	4.00
Police							
Police Chief	1	1	1	1	1	1	1
Police Lieutenant	2	2	2	2	3	3	3
Senior Patrol Officer	0	0	4	4	4	4	4
1st. Class	7	8	5	5	3	3	3
2nd. Class	2	0	0	0	0	1	1
3rd. Class	0	0	0	0	1	0	1
Probationary	0	0	0	0	1	1	0
Detective	1	1	1	1	1	1	1
Part-time Police Secretary	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Police Secretary (1.5)	1	1	1	1	1	1	1
Police Total	14.50	13.50	14.50	14.50	15.50	15.50	15.50
Library							
Library Director	1	1	1	1	1	1	1
Assistant Librarian	6	5	4	4	3	3	3
Bookmobile	1	1	1	1	1	1	1
Part-time Assistant Librarian	0.5	0.5	0.5	0.5	0.5	1.5	1.5
Library Total	8.50	7.50	6.50	6.50	5.50	6.50	6.50

City of North Mankato Full-Time Staffing History							
	2011	2012	2013	2014	2015	2016	Proposed 2017
Community Development							
Community Development Director	1	1	1	1	1	1	1
Senior Records Clerk/Deputy City Clerk	1	1	1	1	1	1	1
Building Official	0	0	0	0	1	1	1
Building Inspector	3	2	2	2	1	1	1
Community Development Total	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Street							
Public Works Director	0.15	0.15	0.5	0.33	0.33	0.33	0.33
Street Superintendent	1	1	0	0	0	0	0
Foreman	1	1	1	1	1	1	1
Street Maint. III	5	5	5	5	5	5	5
Street Maint. II	0	0	0	0	0	0	0
Street Maint. I	0	0	0	0	0	0	0
Construction Manager	0	0	0	1	0	0	0
Street Total	7.15	7.15	6.50	7.33	6.33	6.33	6.33
Fire							
Fire	Volunteers Reimbursed per call.						
Fire Total	0	0	0	0	0	0	0
Park							
Park Superintendent	1	1	1	1	0	0	0
Park Maint. II	4.5	4.5	3.5	2.5	2.5	1.5	1.5
Park Maint. I	0	0	0	0	2	2	2
Caswell Maint.	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Caswell Park Coordinator						0.75	0.75
Park Total	6.00	6.00	5.00	4.00	5.00	4.75	4.75
Shop							
Mechanic Foreman	1	1	1	1	1	0	0
Mechanic	2	2	2	2	2	2	2
Shop Total	3.00	3.00	3.00	3.00	3.00	2.00	2.00
GENERAL FUND TOTAL	50.65	47.65	46.00	44.33	43.33	43.08	43.08

City of North Mankato Full-Time Staffing History							
	2011	2012	2013	2014	2015	2016	Proposed 2017
Water Utility							
City Administrator	0	0	0	0.25	0.25	0.25	0.25
Public Works Director	0.85	0.85	0.5	0.33	0.33	0.33	0.33
Finance Director	0	0	0	0.25	0.25	0.25	0.25
Senior Account Clerk	0	0	0	0.25	0.25	0.25	0.25
Account Clerk	1.4	1.4	1.4	1	1	1	1
Water Superintendent/Interim Parks Operations Manager	1	1	1	1	1	1	1
Water Foreman	0	1	1	1	1	1	1
Water Serviceman III / Electrician	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water Serviceman II	2	1	1	1	1	1	1
Water Serviceman I	1	1	1	1	1	1	1
Water Utility Total	6.75	6.75	6.40	6.58	6.58	6.58	6.58
Wastewater Utility							
City Administrator	0	0	0	0.25	0.25	0.25	0.25
Public Works Director	0	0	0	0.34	0.34	0.34	0.34
Finance Director	0	0	0	0.25	0.25	0.25	0.25
Senior Account Clerk	0	0	0	0.25	0.25	0.25	0.25
Account Clerk	0.4	0.4	0.4	1	1	1	1
Sewer Serviceman II	2	2	2	2	2	1	1
Water Serviceman III/Electrician	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Project/Equipment Manager						1	1
Wastewater Utility Total	2.90	2.90	2.90	4.59	4.59	4.59	4.59
Recycling Utility							
Recycling Ctr	0.2	0.2	0.2	0	0	0	0
Recycling Lead Operator	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Recycling Part-time	1	1.5	1	1	1	1	1
Recycling Utility Total	1.70	2.20	1.70	1.50	1.50	1.50	1.50

City of North Mankato Full-Time Staffing History							
	2011	2012	2013	2014	2015	2016	Proposed 2017
Solid Waste Utility							
Account Clerk	0	0	0	0	1	1	1
Solid Waste Utility Total	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Storm Water Utility							
Storm Water Maintenance II	1	1	1	1	1	1	1
Storm Water Utility Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Access							
Public Access Coordinator	1	1	1	1	0	0	0
Production Specialist Coordinator	1	1	1	1	0	0	0
Public Access total	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Construction Account							
Construction Inspector	1	1	1	0	0	0	0
Construction Total	1.00	1.00	1.00	0.00	0.00	0.00	0.00
TOTAL STAFFING LEVELS	66.00	63.50	61.00	60.00	58.00	57.75	57.75

