



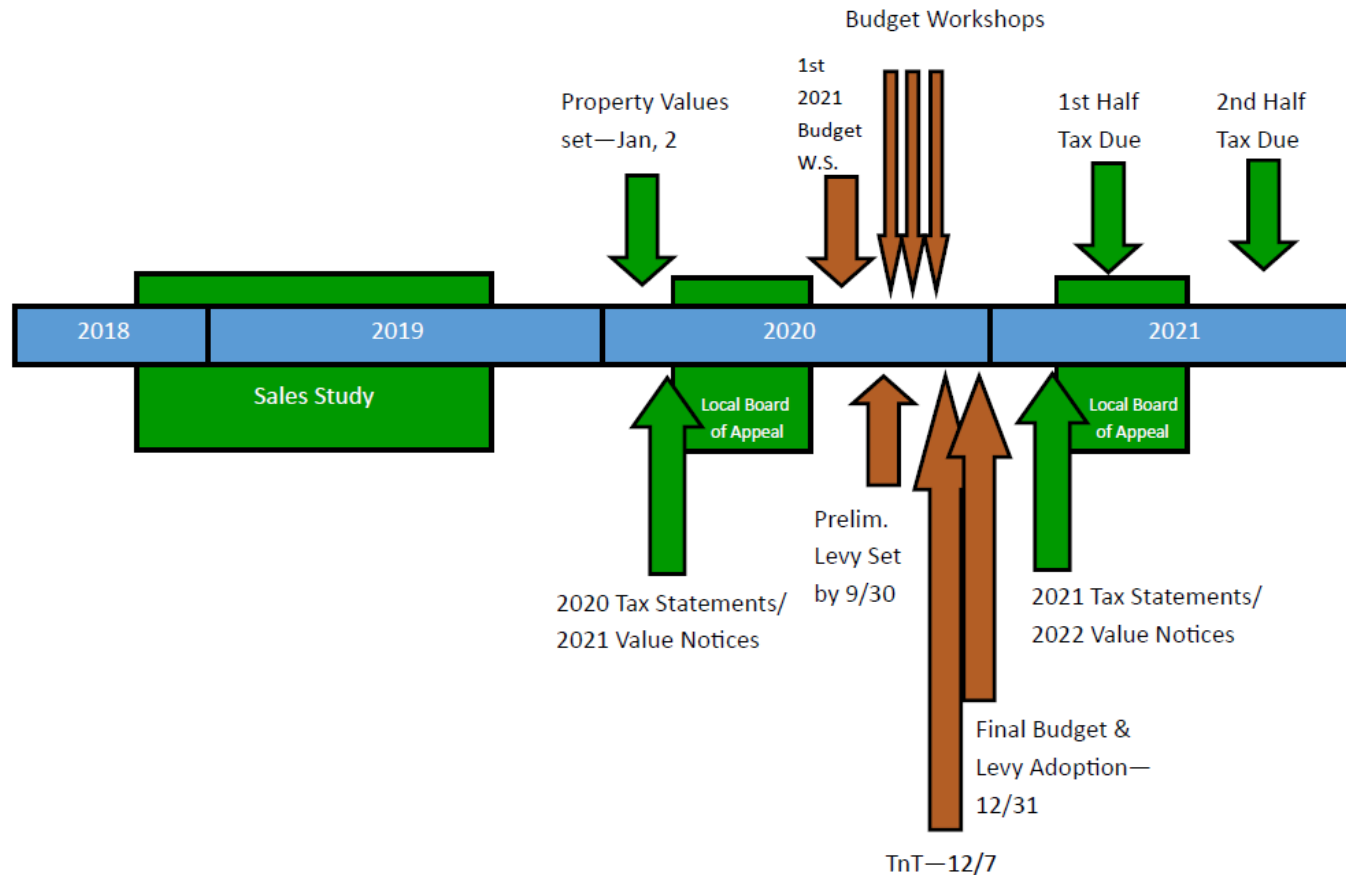
2021 Proposed Property Tax Levy, Budget, & CIP

December 7, 2020

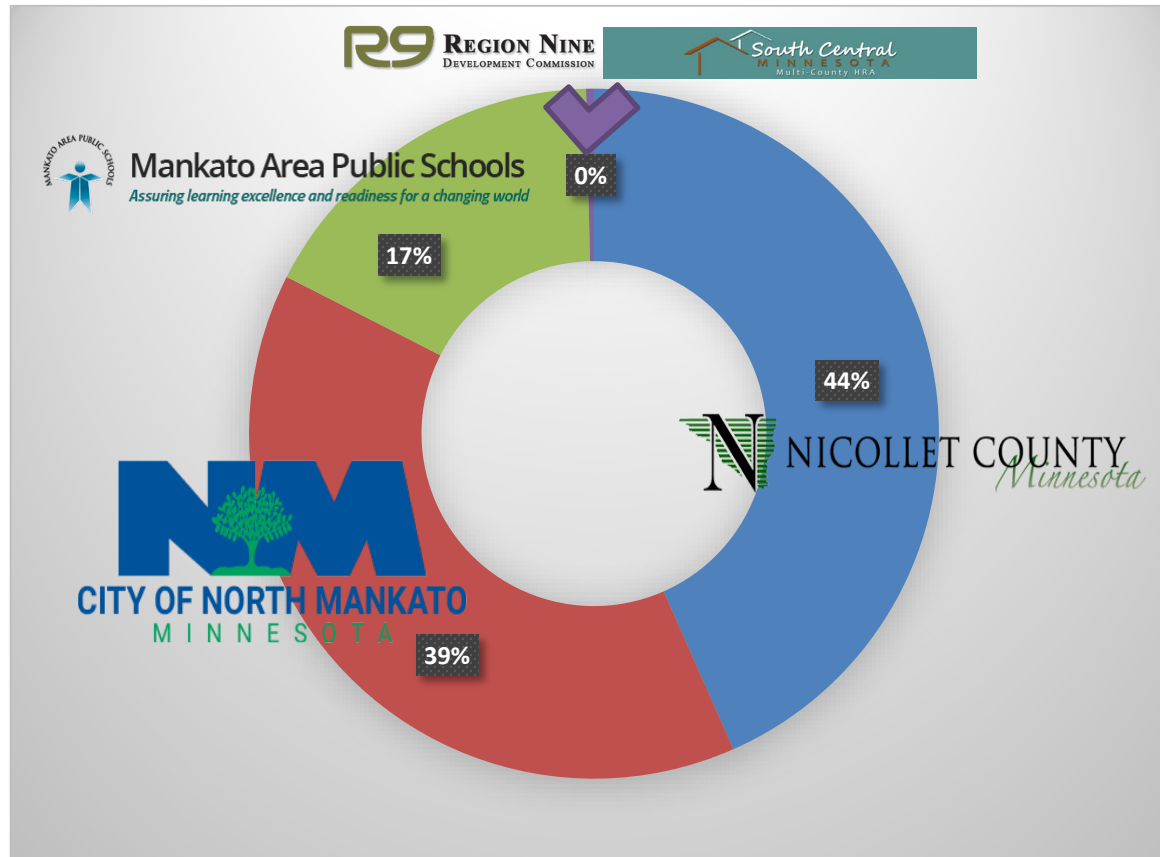
Purpose of Tonight's Meeting

- Solicit input on the City's proposed tax levy and budget for 2021;
- State law requirement – Truth-in-Taxation;
- Held after property owners receive their proposed property tax statements for 2021 –
 - Statement received is based upon the preliminary budget and tax levy approved by the Council in September

Property Tax and Budget Process Timeline



Components of Your Property Taxes



Each component has its own Tax Rate

2021 Property Taxes

- Preliminary levy set in September (basis of tax notice received)
- Reduction of proposed final levy by \$108,910
Tax Rate reduced from 49.668% for 2020 to a projected tax rate of 48.905% for 2021.
- Proposed final 2021 levy dollar amount is \$188,769 (2.8%) more than the 2020 levy

2021 Property Taxes, cont.

- 4.2% growth in taxable market value. (approx. \$51 million)
 - 40% is new (\$20 million) construction/improvements.
 - 18 new homes and seven new or expanded commercial/ industrial buildings (four (4) four-plex apartments, new hotel on Commerce, new bank on Belgrade)
 - 1,424 building permits issued
 - 60% is increased property values (\$31 million)
- \$1 million increase in the tax capacity
- This growth is expected to offset the tax levy increase of \$189,000



2021 Property Taxes, cont.

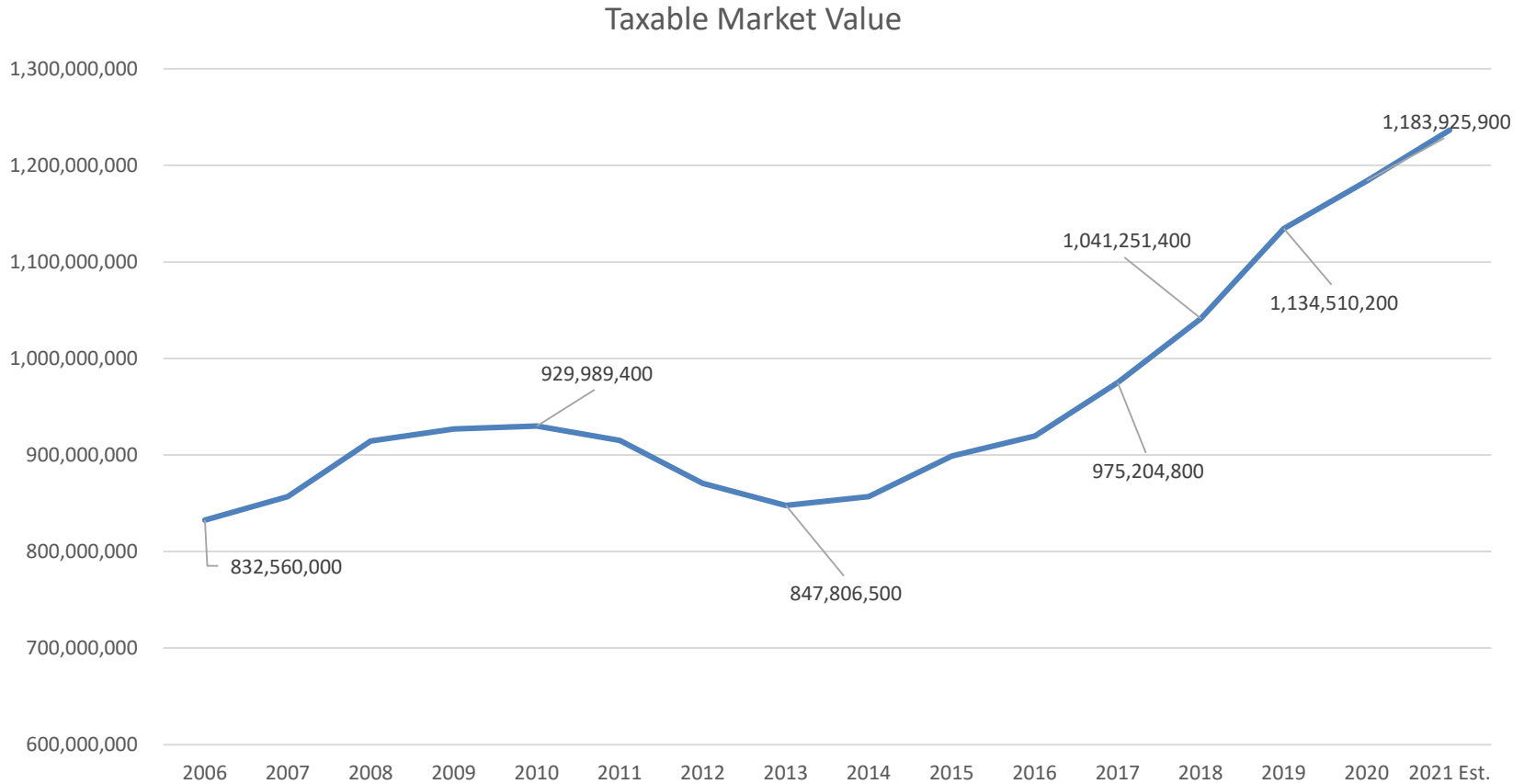
- The total general property taxes needed by the City of North Mankato for 2021 is \$6,983,328
 - General Fund \$ 5,218,162
 - Port Authority \$ 75,000
 - Debt Service \$ 1,213,070
 - Abatement Levy \$ 477,096
- Tax Rate = Tax Levy/Total Tax Capacity
 - Total tax capacity increase is larger than the tax levy increase which means a decrease in tax rate

49.668		48.905 ^{estimate}
2020		2021

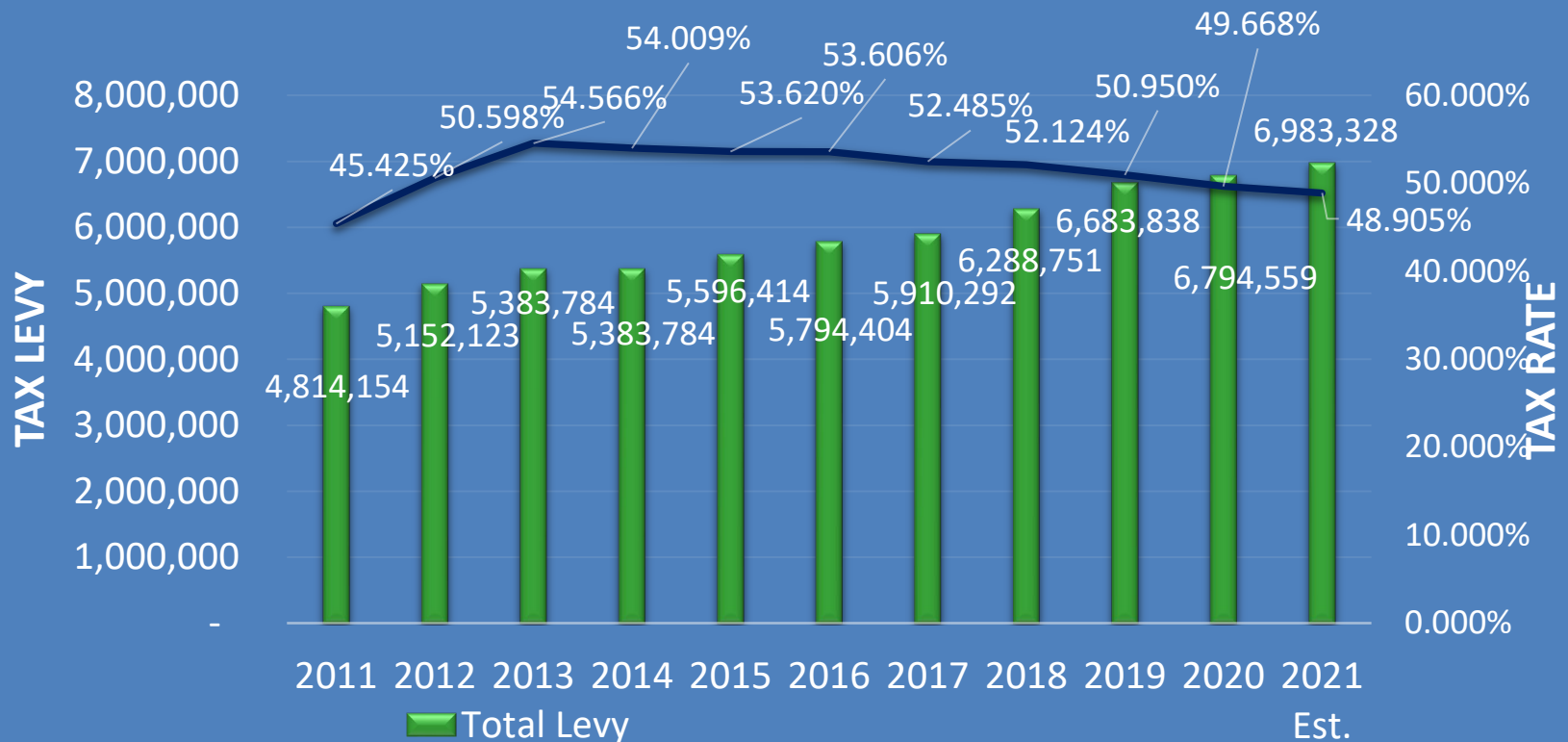
Levy Comparison

	2020 ADOPTED Amount	2021 PROPOSED Amount	Dollar Amount	% Change	
General Fund Levy	\$5,119,393	\$5,218,162	\$98,769	1.93%	
Port Authority	75,000	75,000	\$0	0.00%	
Debt Service	1,143,970	1,213,070	\$69,100	6.04%	
Tax Abatement	456,196	477,096	\$20,900	4.58%	
Total Tax Levy	\$6,794,559	\$6,983,328	\$188,769	2.78%	<div> Total debt: \$90,000 increase/5.6% </div>

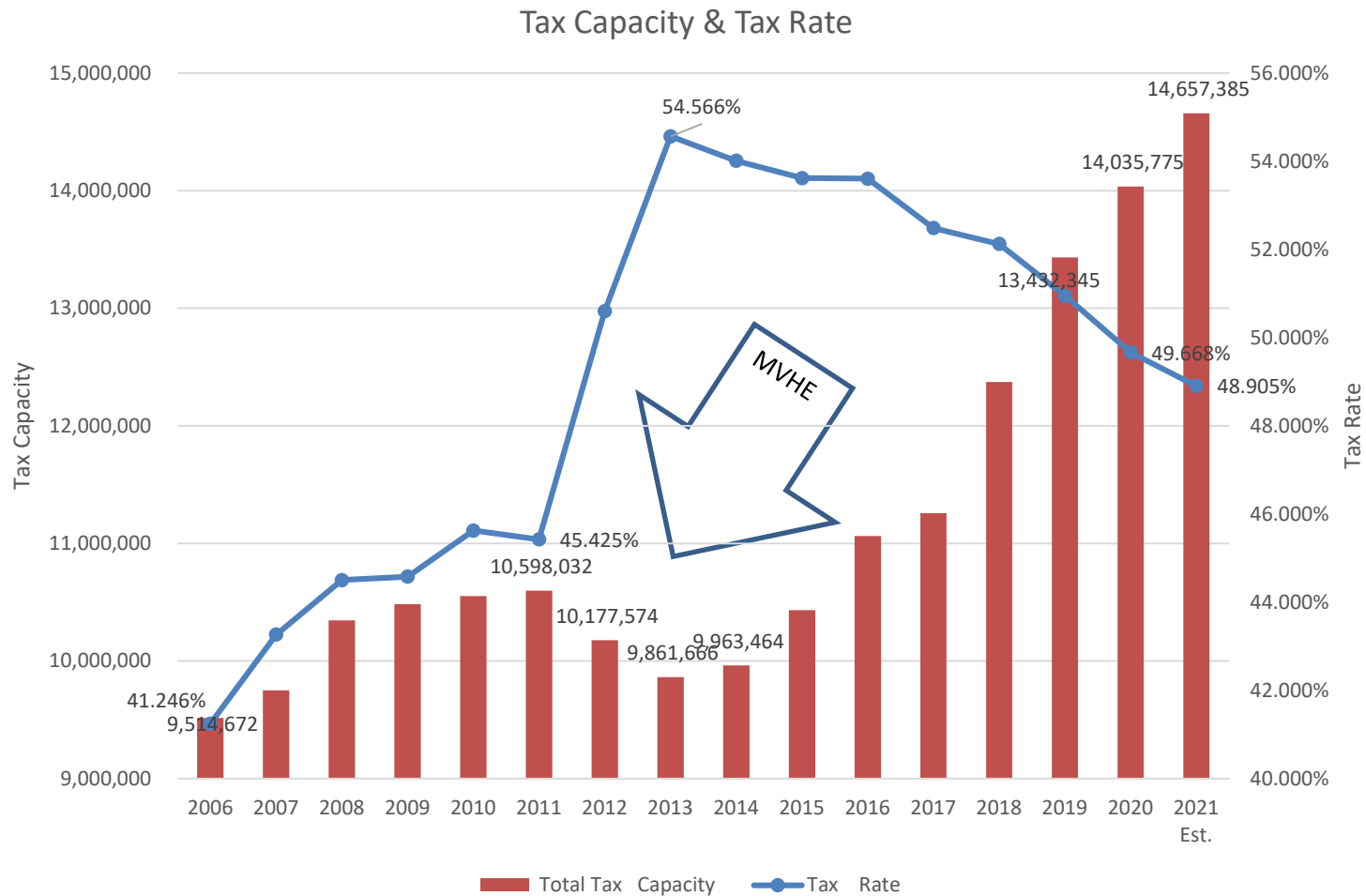
Taxable Market Value



Tax Levy History – Dollar Amount vs. Rate



Tax Capacity vs. Tax Rate

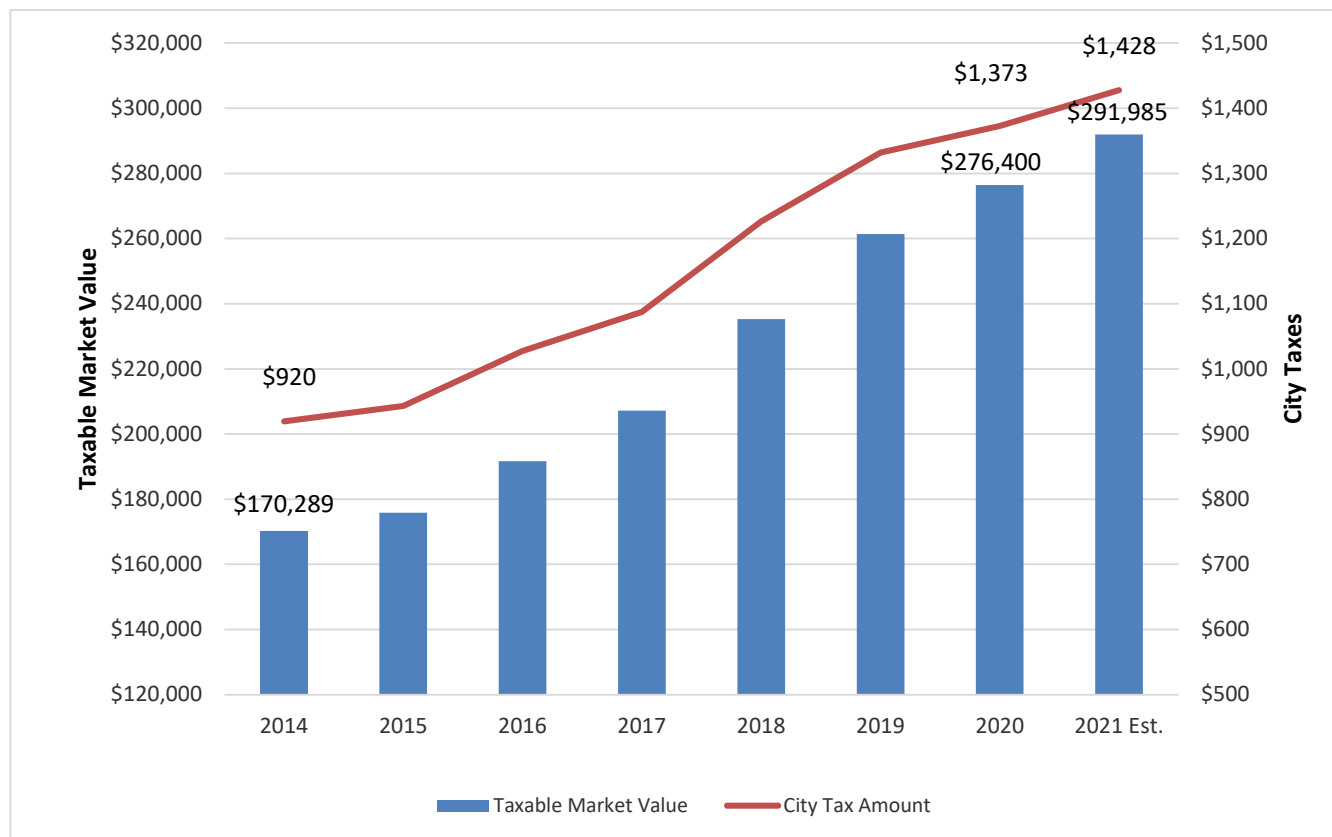


2021 Tax Base and Market Values



- Home Value increases ranged from 0% to 10%
- Majority saw 5-10% increase
- Tax levy impact will vary depending on home's value

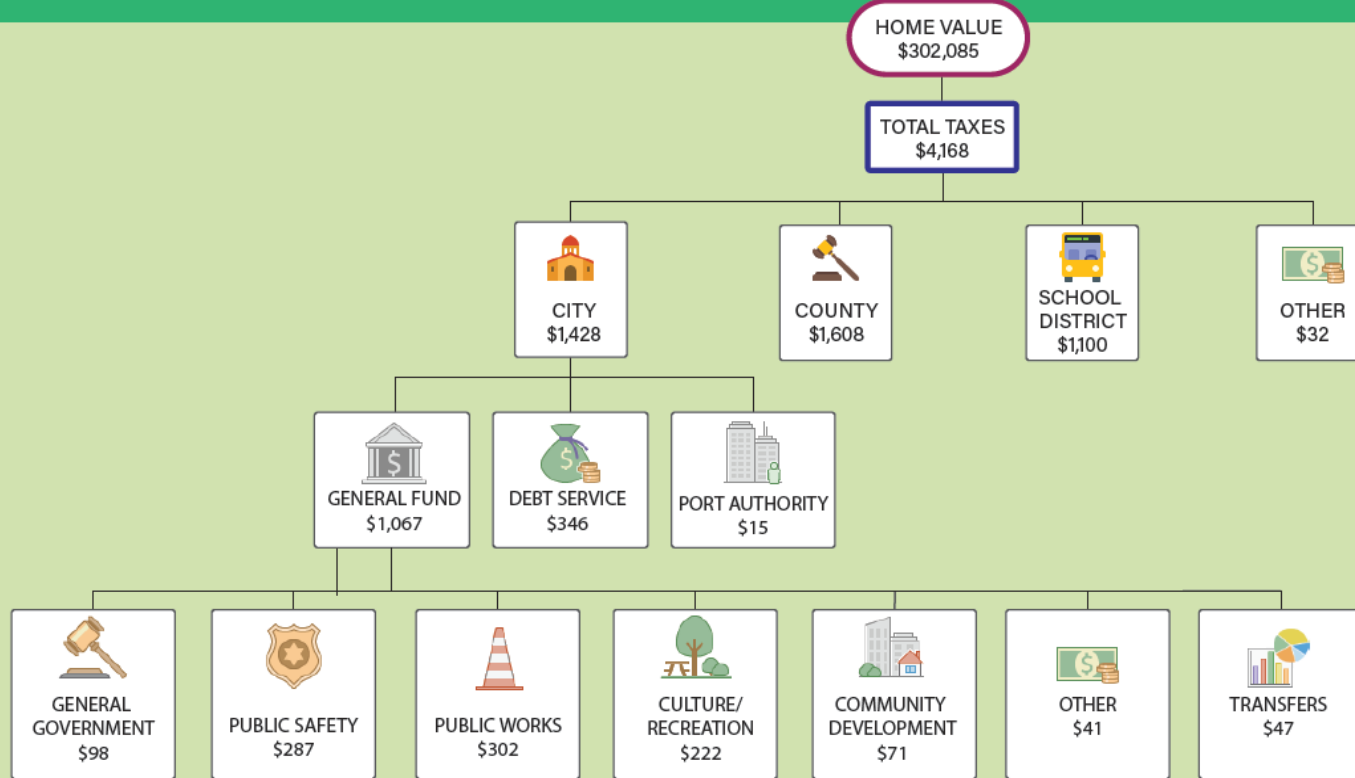
City Tax vs. Taxable Home Value



Eight year history of a median home in North Mankato (currently \$287,700) with taxable market value of \$276,400.

2020 Changes - Taxable value increase of \$15,000 & City tax increase of \$38.

MEDIAN HOME VALUE TAX IMPACT

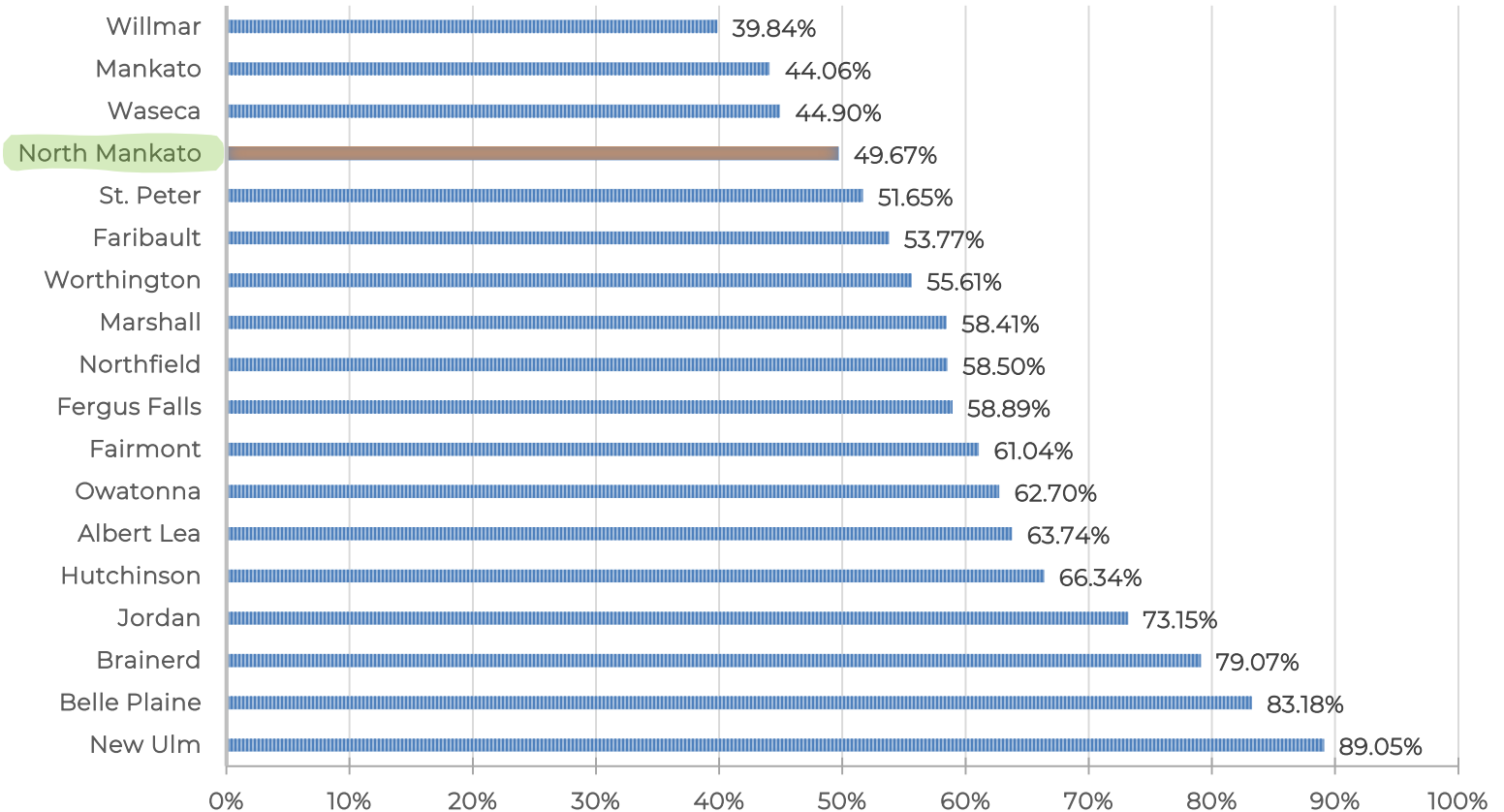


Where do your General Fund tax dollars go?



2020 Comparable City Tax Rate

2020 CITY TAX RATES FOR COMPARABLE CITIES

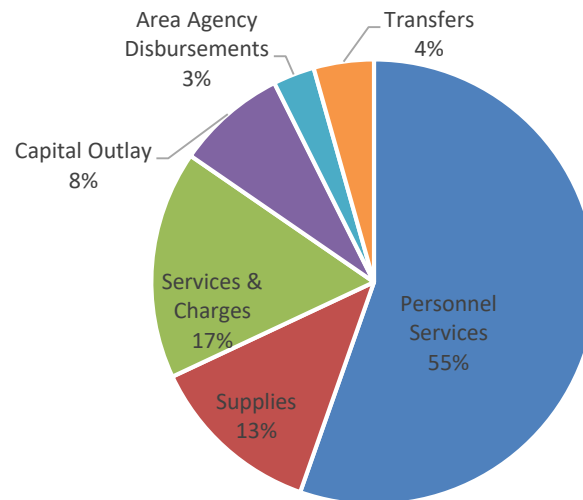


2021 Budget by Department

GENERAL FUND EXPENDITURES	2020 AMENDED	2021 PROPOSED	+/-	%+/-	NOTES
Legislative	40,760	53,701	12,941	32%	New pay implementation
General Government	675,561	699,192	23,631	3%	Health insurance and temp employees
Attorney	115,716	115,816	100	0%	
Police	2,112,273	2,181,989	69,716	3%	OT, Health insurance and clothing allowances
Fire	355,581	361,456	5,875	2%	
Streets	2,528,576	1,998,113	(530,463)	-21%	One-time advance of State-Aid in 2020
Maintenance & Equipment	281,343	299,940	18,597	7%	Health insurance
Street Lighting	349,894	375,488	25,594	7%	Equipment parts
Swim Facility	292,926	365,797	72,871	25%	Operational increases (offset with revenue)
Parks	931,660	889,256	(42,404)	-5%	Reduced parks plan spending
Library	587,405	612,682	25,277	4%	Health insurance
Bookmobile	96,317	103,229	6,912	7%	Health insurance
Community Development	572,105	629,562	57,457	10%	Returned rental inspection and planning staff
Miscellaneous	1,095,172	74,700	(1,020,472)	-93%	CARES Act funding in 2020
Area Agency Disbursements	244,814	284,850	40,036	16%	Mankato Flood station moved to GF from storm
Transfers	447,000	413,750	(33,250)	-7%	Less money to Capital Facilities Fund
EXPENDITURES (Total)	\$10,727,103	9,459,520	(1,267,583)	-12%	

2021 Budget by Category

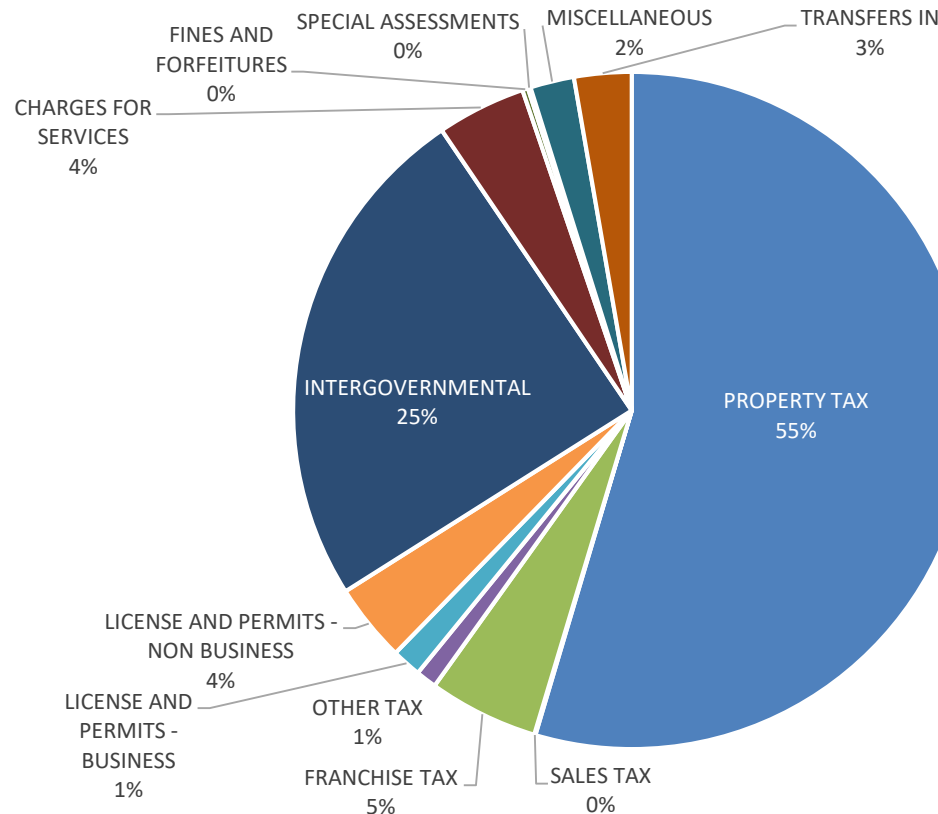
GENERAL FUND EXPENDITURES	2020 AMENDED	2021 PROPOSED	+/-	%+/-	NOTES
Personnel Services	5,041,490	5,238,531	197,040	4%	Health insurance and temp employees
Supplies	1,057,405	1,195,835	138,430	13%	
Services & Charges	2,454,144	1,568,305	(885,839)	-36%	Health insurance and temp employees
Capital Outlay	1,482,250	758,250	(724,000)	-49%	One-time advance of State-Aid in 2020
Area Agency Disbursements	244,814	284,850	40,036	16%	Health insurance and temp employees
Transfers	447,000	413,750	(33,250)	-7%	Decrease to capital facilities fund
EXPENDITURES (Total)	10,727,103	9,459,520	(1,267,583)	-12%	



2021 General Fund Revenue Overview

GENERAL FUND EXPENDITURES	2020 AMENDED	2021 PROPOSED	+/-	%+/-	NOTES
PROPERTY TAX	5,119,393	5,218,162	98,769	2%	Est. 1.6% new growth/ Rate reduction of 1.39%
SALES TAX	200	5,756	5,556	2778%	Swim facility sales tax
FRANCHISE TAX	574,000	501,000	(73,000)	-13%	Decrease in cable and electric fees collected
OTHER TAX	43,350	95,000	51,650	119%	Full year gambling tax revenue in 2021
LICENSE AND PERMITS - BUSINESS	132,870	134,295	1,425	1%	
LICENSE AND PERMITS - NON BUSINESS	357,450	357,350	(100)	0%	
INTERGOVERNMENTAL	4,202,661	2,340,411	(1,862,250)	-44%	Reduction of one-time funding from CARES Act and reduction in State-Aid from 2020
CHARGES FOR SERVICES	246,715	406,213	159,498	65%	Pool fees/concessions; room & shelter rentals
FINES AND FORFEITURES	16,500	26,000	9,500	58%	Court fine activity
SPECIAL ASSESSMENTS	13,800	12,200	(1,600)	-12%	
MISCELLANEOUS	(77,951)	200,156	278,107	-357%	Funding unreceived FEMA receivable
TRANSFERS IN	261,750	261,750	-	0%	
REVENUES (Total)	10,890,738	9,558,292	(1,332,446)	-12%	

2021 General Fund Revenue Overview



2021 Personnel Costs

- Mid year pay plan increases up to 3% for performance
- 4.0% increase in health insurance
- 2020 60.50 FTEs (includes current vacancies)
- 2020 60.50 FTEs



2021 Utility Fund Expenditure Overview

FUND	2020 AMENDED	2021 PROPOSED	+/-	%+/-	NOTES
Water	\$ 2,149,850	\$ 1,924,081	\$ (225,769)	-11%	Capital outlay decrease to save for future years
Wastewater	\$ 2,486,506	\$ 2,548,065	\$ 61,559	2%	Increased capital outlay
Solid Waste	\$ 813,500	\$ 826,441	\$ 12,941	2%	Spring and fall drop off
Recycling	\$ 530,034	\$ 526,401	\$ (3,633)	-1%	
Storm Water	\$ 1,135,661	\$ 447,504	\$ (688,157)	-61%	Northridge Ravine Project in 2020 completed

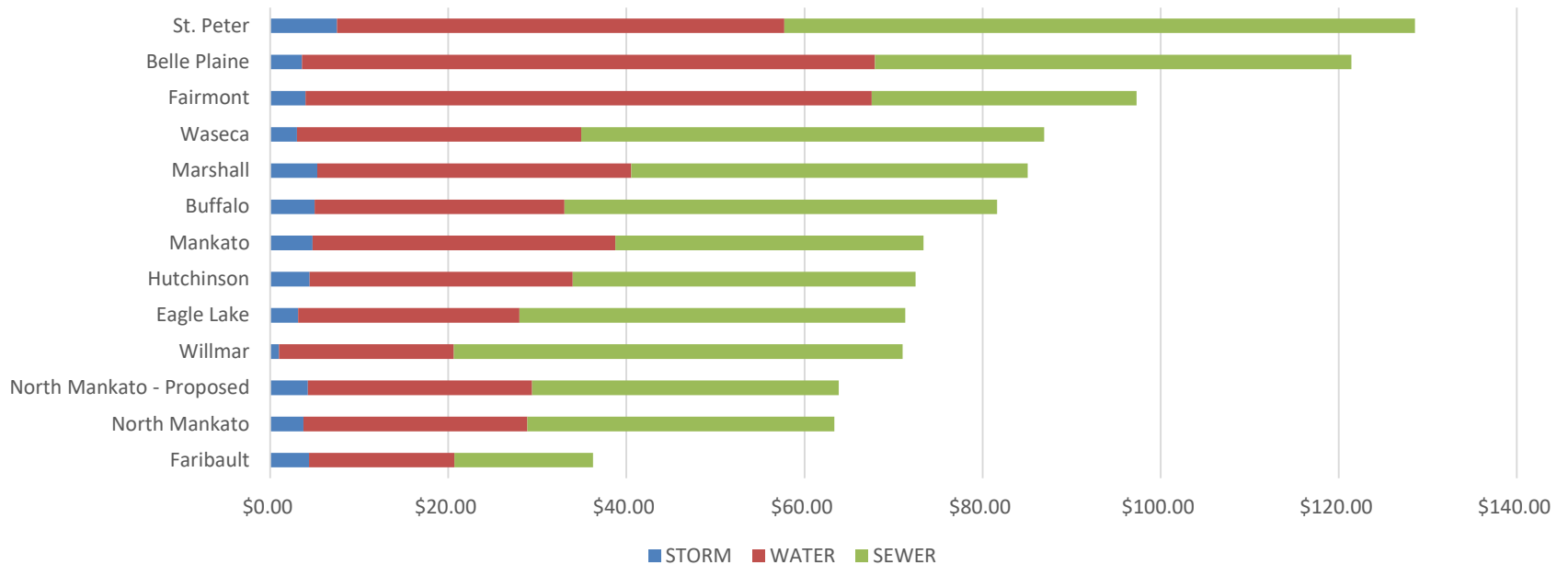
2021 Utility Fund Revenue Overview

FUND	2020 AMENDED	2021 PROPOSED	+/-	%+/-	NOTES
Water	\$ 2,106,000	\$ 2,089,100	\$ (16,900)	-1%	Water use trending down
Wastewater	\$ 2,514,810	\$ 2,566,100	\$ 51,290	2%	
Solid Waste	\$ 821,600	\$ 824,138	\$ 2,538	0%	
Recycling	\$ 501,500	\$ 542,900	\$ 41,400	8%	Rate increase
Storm Water	\$ 570,000	\$ 517,000	\$ (53,000)	-9%	\$0.50/month increase in 2021

2021 Utility Rate Overview

	Faribault	North Mankato	North Mankato - Proposed	Willmar	Eagle Lake	Hutchinson	Mankato	Buffalo	Marshall	Waseca	Fairmont	Belle Plaine	St. Peter
STORM	\$4.35	\$3.75	\$4.25	\$1.00	\$3.16	\$4.43	\$4.76	\$5.00	\$5.28	\$3.00	\$3.96	\$3.56	\$7.50
WATER	\$16.35	\$25.15	\$25.15	\$19.62	\$24.85	\$29.55	\$34.02	\$28.04	\$35.27	\$31.92	\$63.60	\$64.36	\$50.24
SEWER	\$15.54	\$34.46	\$34.46	\$50.40	\$43.30	\$38.51	\$34.57	\$48.60	\$44.53	\$52.01	\$29.73	\$53.49	\$70.80
TOTAL	\$36.24	\$63.36	\$63.86	\$71.02	\$71.31	\$72.49	\$73.34	\$81.64	\$85.08	\$86.93	\$97.29	\$121.41	\$128.54

Utility Rates for Comparable Cities



2021 Utility Rate Overview

Garbage and Recycling Rates

City	30/35 gallon	60/65 gallon	90/95 gallon	Notes
Buffalo	\$ 8.99	\$ 14.99	\$ 22.99	Spring and fall clean up extra to residents
Mankato	\$ 11.67	\$ 16.97	\$ 26.52	
Eagle Lake		\$ 18.30		Only one size for garbage
North Mankato	\$ 16.00	\$ 21.00	\$ 26.00	
Le Sueur	\$ 13.50	\$ 20.56	\$ 24.23	Spring and fall clean up extra to residents
Proposed North Mankato	\$ 17.00	\$ 22.00	\$ 27.00	
St. Peter		\$ 21.23	\$ 24.22	
Hutchinson	\$ 20.12	\$ 29.02	\$ 39.92	Includes composting container

2021 Special Funds Expenditures

BUDGET SUMMARY FOR FY 2021					
EXPENDITURES BY FUND					
Fund	2020 Amended	2021 Proposed	+/-	%+/-	Notes
Debt Service Fund	\$ 2,787,269	\$ 2,804,355	\$ 17,086	1%	
Local Option Sales Tax	\$ 593,503	\$ 299,850	\$ (293,653)	-49%	Fulfillment of debt service obligation
Capital Facilities & Equipment Fund	\$ 136,148	\$ 458,594	\$ 322,446	237%	Mower, loader, general, fire, civil defense
Construction Funds	\$ 2,351,000	\$ 1,500,000	\$ (851,000)	-36%	2021 CIP projects on hold until July
Port Authority - General Fund	\$ 85,520	\$ 94,590	\$ 9,070	11%	Professional services; transfer to Local RLF
Joint Economic Development Fund	\$ 67,000	\$ 62,000	\$ (5,000)	-7%	Decrease in property taxes and misc.
Federal Revolving Loan	\$ -	\$ -	\$ -		
Local Revolving Loan	\$ 29,100	\$ 29,100	\$ -	0%	Northside Revivals program
TIF 8 - Marigold	\$ 70,000	\$ 75,683	\$ 5,683	8%	To reflect 2019 figures
TIF 14 - Webster Avenue	\$ 11,595	\$ 11,194	\$ (401)	-3%	
TIF 2 - Webster Avenue (FX Fusion)	\$ 6,182	\$ 6,916	\$ 734	12%	
TIF 18 - LJP	\$ 79,468	\$ 79,468	\$ -	0%	
TIF 20 - Ziegler	\$ 87,089	\$ 87,089	\$ -	0%	To reflect 2019 figures
TIF 1-19 422 Belgrade	\$ 33,215	\$ 32,615	\$ (600)	-2%	
TIF 19 - Lindsay Windows	\$ 20,670	\$ 21,307	\$ 637	3%	To reflect 2019 figures
TIF 23 - D&K Powder Coating	\$ 37,000	\$ 66,140	\$ 29,140	79%	
TIF 24 - Birchwood Cottages	\$ 30,108	\$ 39,028	\$ 8,920	30%	2020 First year of TIF - est.
TIF 25 - Blue Star Power Systems	\$ 95,168	\$ 48,740	\$ (46,428)	-49%	2020 First year of TIF - est.
Caswell Sports Fund-Caswell Park	\$ 223,257	\$ 494,288	\$ 271,031	121%	Return to Full seasons and concessions
Caswell Sports Fund-Caswell Park North	\$ 41,870	\$ 52,835	\$ 10,965	26%	Return to Full seasons and concessions
Charitable Gaming	\$ 17,000	\$ 20,700	\$ 3,700	22%	Additional requests
Library Endowment	\$ 45,000	\$ 53,250	\$ 8,250	18%	Increased programming costs

2020 Special Funds Revenues

BUDGET SUMMARY FOR FY 2021					
REVENUES BY FUND					
Fund	2020 Amended	2021 Proposed	+/-	%+/-	Notes
Debt Service Fund	\$ 3,217,911	\$ 2,651,458	\$ (566,453)	-18%	Expiration of sales tax transfer and reduced deferred assessment estimates
Local Option Sales Tax	\$ 600,000	\$ 600,000	\$ -	0%	
Capital Facilities & Equipment Fund	\$ 457,500	\$ 413,500	\$ (44,000)	-10%	
Construction Funds	\$ 2,251,000	\$ 1,500,000	\$ (751,000)	-33%	No budgeted project in 2021 to be reviewed in July
Port Authority - General Fund	\$ 98,223	\$ 92,088	\$ (6,135)	-6%	
Joint Economic Development Fund	\$ 162,275	\$ 11,594	\$ (150,681)	-93%	Less anticipated land sales
Federal Revolving Loan	\$ 29,676	\$ 27,599	\$ (2,077)	-7%	Retirement of debt
Local Revolving Loan	\$ 1,546	\$ 2,620	\$ 1,074	69%	Port GF transfer
TIF 8 - Marigold	\$ 70,000	\$ 75,683	\$ 5,683	8%	To reflect 2019 figures
TIF 14 - Webster Avenue	\$ 22,616	\$ -	\$ (22,616)	-100%	No collections in 2020 due to County error
TIF 2 - Webster Avenue (FX Fusion)	\$ 6,182	\$ 6,916	\$ 734	12%	
TIF 18 - LJP	\$ 79,468	\$ 79,468	\$ -	0%	
TIF 20 - Ziegler	\$ 87,089	\$ 87,089	\$ -	0%	To reflect 2019 figures
TIF 1-19 422 Belgrade	\$ 29,460	\$ 32,058	\$ 2,598	9%	
TIF 19 - Lindsay Windows	\$ 20,670	\$ 21,307	\$ 637	3%	
TIF 23 - D&K Powder Coating	\$ 37,000	\$ 66,140	\$ 29,140	79%	
TIF 24 - Birchwood Cottages	\$ 30,108	\$ 39,028	\$ 8,920	30%	2020 First year of TIF - est.
TIF 25 - Blue Star Power Systems	\$ 95,168	\$ 48,740	\$ (46,428)	-49%	TIF less than projected
Caswell Sports	\$ 305,636	\$ 560,887	\$ 255,251	84%	Return to Full seasons and concessions
Charitable Gaming	\$ 32,000	\$ 32,067	\$ 67	0%	
Library Endowment	\$ 47,300	\$ 53,250	\$ 5,950	13%	Additional city contribution for programming

2020 Total Budget

BUDGET SUMMARY FOR FY 2021

REVENUES OVER/(UNDER) EXPENDITURES

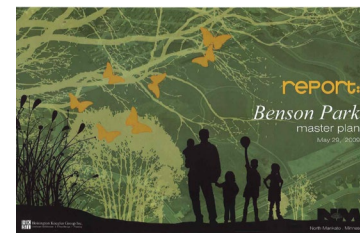
	2021 REVENUES	2021 EXPENDITURES	+/-	Notes
TOTAL ALL FUNDS	\$ 22,499,022	\$ 22,069,755	\$ 429,267	

CIP Policy

- Purpose of the CIP
 - CIP is a flexible planning tool to be reviewed and updated on an annual basis with plans for the next five years
 - Major projects and equipment over \$15,000
 - Incorporates needs and future goals from planning documents such as the comp plan
 - first year are capital budget, last 4 years are for future planning and consideration
 - Goal – Minimize fluctuations in expenses and create orderly replacement of facilities, infrastructure, and equipment

2021-2025 CIP

- 2020-2024 – \$29.2 Million
- 2021-2025 – \$32.4 Million: +\$3.2 Million
 - \$.22 Million – increase in equipment
 - (\$0.53) Million – decrease in Pavement management
 - (\$0.33) Million – decrease in Park improvements
 - (\$0.30) Million – decrease in water projects
 - \$0.12 Million – increase in sewer funding
 - \$4.01 Million – increase in in projects (Caswell Park improvements)



2021-2025 Equipment/Facilities

Project or Activity	2020-2024	2021-2025	Variance
Loader	175,000	175,000	-
Loader Snow Blower Attachment	160,000	160,000	-
Excavator	200,000	200,000	-
General Equipment - Trucks, Skid loaders, Mowers, etc.	209,000	500,000	291,000
Police Cruiser	295,740	287,600	(8,140)
Squad Cameras	-	-	-
Police Radios	25,000	95,470	70,470
Police Evidence Room Heat	3,000	3,000	-
Sirens - Upgrade (from 2012), Plant #2, Expansion, City Shop	27,000	27,000	-
Tandem Dump Truck with Plow, Wing and Sander (3)	270,000	140,000	(130,000)
Roller (2)	-	270,000	270,000
Fire Engine	110,000	-	(110,000)
Replace roof on Station #2	90,000	110,000	20,000
Replace HVAC units at Station #2	72,000	90,000	18,000
Breathing Air Compressor & Cascade Bottles	40,000	72,000	32,000
Overhaul Air Pack/Work Room	-	40,000	40,000
Exhaust Capture System	7,500	-	(7,500)
Overhaul Community Room Kitchen	50,000	7,500	(42,500)
Replace overhead doors at Station #2 (5 Doors: 4 in front and one in back)	30,000	50,000	20,000
Fire Pumper	-	30,000	30,000
Mower Replacement	90,000	-	(90,000)
Bluff Park Overlook	75,000	-	(75,000)
Library Bookdrop Off Station	6,000	-	(6,000)
Facility Improvements - City Hall	60,000	-	(60,000)
Facility Improvements - General	-	-	-
Computers	3,000	-	(3,000)
Caswell Parking Lot Improvements	140,000	-	(140,000)
Sub-Total Cash / Capital Facilities & Equipment Replacement	2,138,240	2,353,570	215,330

2021 Equipment & Facilities Replacement

- New for 2021-2025
 - Increasing the general equipment allocation +291,000
 - Police radios +70,000
 - Tandem truck purchased
 - Rollers
 - Fire engine moved to future
 - Fire station improvements
 - Facility improvements held for future discussion

2021-2025 Debt Expenditures

Project or Activity	Strategic Program Area	2020 FORECAST	2021 FORECAST	2022 FORECAST	2023 FORECAST	2024 FORECAST	2025 FORECAST	Estimated 5 year costs
Caswell Park Improvements	Recreation		4,000,000					4,000,000
Caswell Indoor Recreation - City Portion	Recreation			5,500,000				5,500,000
Safe Routes to School - Dakota Meadows	Infrastructure	825,332						-
Ravine Improvements	Infrastructure	-			1,000,000		1,150,000	2,150,000
Harrison Ave. (Cross to Range)	Infrastructure		650,000					650,000
Monroe Ave. (Center to Range)	Infrastructure	1,136,435						-
Garfield Ave. (Center to Range)	Infrastructure			1,300,000				1,300,000
McKinley Ave. (300 Block)	Infrastructure				625,000			625,000
McKinley Ave. (400 Block)	Infrastructure				625,000			625,000
McKinley Ave. (500 Block)	Infrastructure				650,000			650,000
Cross St. (Monroe to Webster)	Infrastructure					1,706,250		1,706,250
Sherman St. (South to Garfield)	Infrastructure						1,750,000	1,750,000
Belgrade Ave. Improvements (lights, charging station, ped crossing)	Infrastructure		425,000					425,000
Quincy St. (McKinley to Webster)	Infrastructure							-
Page Ave. (Center to Range)	Infrastructure			1,300,000				1,300,000
Howard Dr./Lor Ray Dr. Roundabout - City Portion	Infrastructure				500,000			500,000
Cliff Ct.	Infrastructure		600,000					600,000
Clare Ct.	Infrastructure							-
Clare Dr.	Infrastructure							-
Marvin Blvd	Infrastructure							-
Valerie Lane (Marvin to Cliff)	Infrastructure					750,000		750,000
Wheeler Ave (300 Block)	Infrastructure					625,000		625,000
Countryside Dr. Improvements	Infrastructure	1,944,400						-
Lor Ray Dr. & Township RD Improvements	Infrastructure							-
PW Building	Infrastructure							-
Sub-Total Bonds		3,906,167	5,675,000	8,100,000	3,400,000	3,081,250	2,900,000	23,156,250

Sales Tax Project

- Citizens and Legislature approved sales tax extension
- Legislature approved \$2.0 in bonding toward Caswell Park Improvements
- \$5.0-\$8.0 Million in sales tax funding capacity currently available
- Continue to pursue State appropriation for Caswell indoor recreation facility

2021 Parks Plan

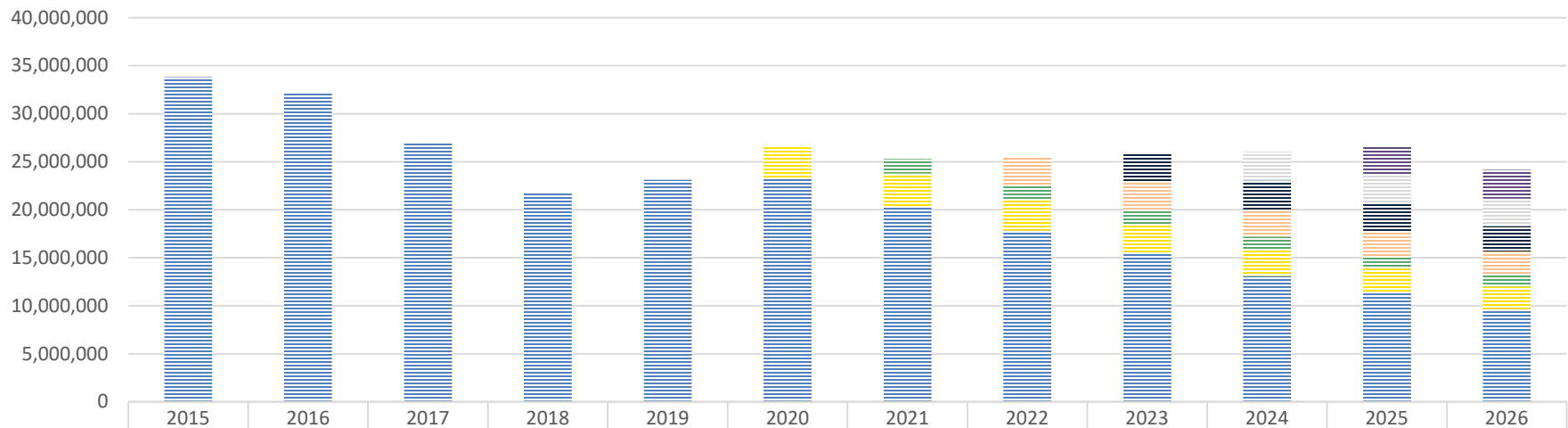
- Smaller park amenity replacements (Rocking toys, digging toys, etc.)
- Langness Park improvements
- Walter S. Farm trail
- Park sign replacements
- Replace baseball backstops at King Arthur & Walter S. Farm
- Spring Lake Park hockey rink repairs
- Wheeler Park structure and warming house repairs
- Resurface Tower and Forest Heights tennis courts
- Resurface Spring Lake Park basketball court
- Various other small projects
- Budget of \$213,500 for parks capital improvements

2021 Streets Plan

- Mill and Overlay Streets:
 - Valerie Lane
 - Marvin Blvd.
 - Nottingham Dr. from James to end of 2020 mill and overlay project
 - Cliff Dr. from Marie to Clare
 - Sharon from James to Collette
 - Collette Dr. from Sharon Dr. to North end
 - Clare Dr. from Roe Crest to Clare Ct
 - Marie Ct. from Marie to Cul-de-sac
 - Two alleys
- Budget of \$561,000 for streets plan

Debt Analysis

Existing Debt & Future Debt of \$3.0 Million/Annually



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
≡ 2025A								-	-	-	3,000,000	3,000,000
≡ 2024A								-	-	3,000,000	3,000,000	2,835,000
≡ 2023A								-	3,000,000	3,000,000	2,835,000	2,665,000
≡ 2022A								3,000,000	3,000,000	2,835,000	2,665,000	2,490,000
≡ 2021A							1,500,000	1,500,000	1,417,500	1,332,500	1,245,000	1,155,000
≡ 2020A - \$3.4MM						3,400,000	3,400,000	3,200,000	2,985,000	2,770,000	2,550,000	2,330,000
≡ Original Existing	33,835,662	32,213,109	27,082,802	21,812,322	23,131,300	23,323,300	20,385,300	17,831,200	15,500,900	13,104,600	11,332,100	9,678,600

What's Next

- **Final Budget Adoption**
 - December 21, 2020 as part of the Regular City Council Meeting
- **Property Value Questions**
 - Nicollet County Assessor (507) 934-7060
- **North Mankato Budget and Tax Levy Questions**
 - Kevin McCann, Finance Director (507) 625-4141
 - kmccann@northmankato.com