
**LEVANDER,
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◊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 30, 2017
**RE: Resolution Setting Not-to-Exceed Tax Levy for Collection in 2018
September 5, 2017, Council Meeting (Agenda Item 8(b))**

Section 1. Background. All cities must adopt and file with the County a proposed “not-to-exceed” tax levy sometime on or before September 30, 2017.

Because Sunfish Lake is over 500 in population, the City must announce the meeting at which the budget and levy will be discussed and the public will be allowed to comment. The public comment must be allowed at a meeting that is held after November 24, 2017 at or later than 6 p.m. The announcement of the meeting must be noted in the meeting minutes. The City must also notify the county auditor of the time and place of the meeting, provide a phone number taxpayers may use to contact the City for more information, and a mailing address at which the City can receive comments. At or following the public comment meeting, the City may adopt a budget and certify the final levy. The City must certify the final levy on or before December 28, 2017.

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

On or before September 30, 2017:

- At the September 5, 2017, meeting, the City Council should 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, 2017, and must start at or after 6 p.m. The time and place of the public input meeting must be included in the September 5, 2017, Council meeting minutes, but newspaper publication of the minutes is **not** required. The date for the future meeting is the regularly scheduled December 5, 2017, 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 5, 2017, 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, 2017, to November 24, 2017:

- Dakota County Auditor prepares and sends parcel-specific notices.

From November 25, 2017, to December 28, 2017:

- City holds meeting on December 5, 2017, 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 28, 2017:

- Following adoption of the budget at the December 5, 2017 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 August 1, 2017 special budget study meeting, the City Treasurer explained that the tax capacity increased 9.5% and if Council should choose to leave the tax rate the same for 2018, it would increase the budget by \$49,000. The Treasurer advised that the debt levy would increase by \$40,129 in 2018, which would leave additional funds of \$9,000 in the 2018 budget. The Treasurer explained that the proposed budget for 2018 totals \$631,186, which is an increase of \$61,445 from the 2017 budget.

In discussion, Council concurred to keep the tax rate the same as 2017 and to include the additional funds as recommended by the Treasurer.

Accordingly, the 2018 not-to-exceed general property tax levy has been set at \$481,163, with the improvement bond debt retirement set at \$81,957 for a total net not-to-exceed levy of \$563,120.

At the September 5, 2017, City Council meeting, the Council will be asked to consider the following:

1. Set a “not-to-exceed” tax levy by way of the attached Resolution Setting Not-to-Exceed Tax Levy for Collection in the Year 2018.
2. Set the regular meeting date of December 5, 2017, as the date at which public input will be taken.
3. Set the regular meeting date of December 5, 2017, 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 2018 Budget and Tax Levy on the City website and at St. Anne’s Episcopal Church prior to the December 5, 2017, meeting.

Attachments

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

RESOLUTION NO. 17-_____

**RESOLUTION SETTING NOT-TO-EXCEED
TAX LEVY FOR COLLECTION IN THE YEAR 2018**

WHEREAS, State law requires that prior to September 30, 2017, the City of Sunfish Lake set a not-to-exceed tax levy for collection in the year 2018.

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 2018 as follows:

General Fund:

Not-to-Exceed General Property Tax Levy	\$481,163
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Bond Retirement

Not-to-Exceed Improvement Bond Debt Retirement	<u>\$81,957</u>
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Total Not-to-Exceed Levy	\$563,120
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Less HACA and LGA	<u>-\$0.00</u>
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Final Net Not-to-Exceed Levy	\$563,120
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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 2018 at the regularly scheduled City Council meeting on December 5, 2017, at 7:00 p.m. at St. Anne's Church located at 2035 Charlton Road (Highway 110 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 2018. At the meeting the Council will consider the following:

- 1.) Discuss the proposed budget and property tax levy for 2018.
- 2.) Receive public comment on the proposed budget and property tax levy for 2018.
- 3.) Determine and approve the final budget and property tax levy for 2018.

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

Passed this 5th day of September, 2017, by the City Council of Sunfish Lake.

Richard Williams, Mayor

ATTEST:

Catherine Iago, City Clerk

City of Sunfish Lake
Budget Analysis
All Funds
Year 2018

08/28/17

8 B Attachment

	2016		2017		2017		2017		Proposed			
	Actual	Budget	Actual/ 7/31/2017	FY estimate As of 7/31	Budget Difference	Budget	\$ Change	% Change	Non-Ferry Items- General			
Revenues												
Property taxes - current	\$ 387,197	\$ 472,251	\$ 262,889	\$ 499,014	\$ 26,783	\$ 481,183	\$ 8,912	1.9%				
Property taxes - delinquent	3,905	0	967	1,851	967	0	0	0.0%				
Grants	1,100	1,100	1,851	1,851	551	1,100	0	0.0%	1,100	Recycle Grant \$1,100		
Other Grants	12,940	0	4,154	8,309	8,309	0	0	-100.0%		Small Cities Assistance M.S. 182,145 - 2015 only		
Other taxes	1,413	1,500	1,610	1,610	110	1,500	0	0.0%	1,500	NDCA Franchise Fee		
Gross permits & plan checks	49,738	24,000	23,684	33,683	9,683	24,000	0	0.0%	24,000	Per Building Inspector		
Surplus revenue	2,854	420	819	983	573	420	0	0.0%	420			
Charges for City services	0	3,000	700	1,950	(1,050)	3,000	0	0.0%	3,000	Includes Arbor Day Receipts		
Fines	1,712	1,000	2,440	2,857	1,857	1,000	0	0.0%	1,000			
Interest income	7,297	0.000	3,611	6,112	112	0.000	0	0.0%	6,000			
Subtotal General and Surplus	467,358	609,271	302,525	597,148	47,875	518,183	8,912	1.7%	37,020			
Special Assessments												
Bond Fund Levy	28,364	18,643	9,780	19,081	438	31,046	12,403	40.0%	31,046	Acorn		
Assessments-Interest	39,043	41,827	23,363	44,278	2,451	81,957	40,130	49.0%	81,958	Salem		
Bond Proceeds	0	0	38	38	0	0	0	-100.0%	0			
Total Revenues	534,763	669,741	783,573	1,018,230	448,453	631,188	61,445	9.7%	187,044			
Expenditures												
Council expenses	0	400	0	167	(233)	400	0	0.0%				
Publishing, printing & advertising	1,011	2,403	2,303	3,303	903	2,400	0	0.0%		Includes attorney publications		
Mayor	2,525	878	0	368	(512)	878	0	0.0%				
City Administrator	5,553	5,400	3,473	5,722	322	5,894	494	8.4%		2017 estimated +3%		
City Clerk	14,095	14,970	8,725	14,534	(436)	15,419	449	2.9%		2017 estimated +3%		
Elections	5,239	8,500	616	617	(8,883)	4,500	(5,000)	-111.1%		Prior included budget for equipment		
Postage	537	600	140	390	(210)	600	0	0.0%				
Treasurer	20,497	21,200	12,464	21,299	69	21,536	738	3.4%		2017 estimated +3%		
Bank charges	80	120	48	98	(22)	120	0	0.0%		Same		
City Attorney	32,241	34,000	23,365	37,532	3,532	34,000	0	0.0%		Per City Attorney - same as 2017		
City Planner	37,387	55,000	17,247	40,165	(14,835)	30,000	(25,000)	-83.3%		Per Planner - same as 2017 less \$25,000 for Comp Plan Update in 2017		
Police	97,751	102,198	59,618	102,199	1	102,198	(0)	0.0%		Per WSP Finance Director same as 2017		
Fire protection	36,528	45,000	20,898	41,796	(3,204)	52,318	7,319	14.0%		Per Kristen Schnabacher-Mendoza Heights schedule-		
Signal lighting	80	90	33	79	(11)	90	0	0.0%				
Due to City Inspector	37,065	19,200	16,716	24,714	5,514	19,200	0	0.0%		80% of Permit income		
Septic system administration	886	450	537	537	87	600	150	25.0%				

Proposed
2018

2016	2017	2017	2017	2017	2018				
Actual	Budget	Actual to 7/31/2017	Full yr estimate	Budget	Budget				
Year 2016		7/31/2017							
City Engineer	34,005	32,000	14,827	27,861	25,000	(7,000)	-28.0%	Monthly, NPDES, LGU Role, Mapping & General	
Road main/capital improve	12,183	10,600	313,444	318,187	307,587	(14,400)	-71.0%	Street sweeping, sign replacement (CUP), Skunnotous & shoulder maintenance	
Capital improvements	0	63,500	37,813	37,430	15,075	76,171	58.7%	Chardon Rd Impro \$12,000 and Infrastructure Mgmt Update \$5,750	
Chardon road maint	8,271	10,400	22,761	27,084	16,694	3,500	26.2%	Gravel, grading, Sunfish Outlet cleaning & dust control	
Street lighting	560	800	491	701	101	0	0.0%		
Sign maint/pavement mark	1,281	500	0	250	(250)	(500)	0.0%		
Snow removal - ISH	0	3,000	0	0	(3,000)	0	0.0%	Per City Engineer	
Snow removal - other	15,047	32,000	11,480	21,480	(10,520)	32,000	0.0%	Per City Engineer	
Recycling	0	0	0	0	1,000	1,000	100.0%	Recycling coordinator per City Administrator	
City Forester	20,050	19,600	7,017	17,186	(2,444)	19,600	0	0.0%	Per Jim Kaves-no change
Forestry expenses	1,578	4,800	2,588	3,115	(1,685)	4,800	0	0.0%	Per Jim Kaves-no change-expenses includes Arbor Day trees
Deer management	0	450	0	460	0	450	0.0%		
Water quality/Comprehensive Plan	7,087	1,250	0	1,250	0	1,200	(50)	-4.2%	Camp program & public education materials
Insurance	1,261	2,800	0	2,800	0	2,800	0	0.0%	League of MN Cities Workers Comp
Memberships	3,757	4,400	3,211	5,033	643	4,400	0	0.0%	League of MN Cities, Lower Mississippi, Metro, et al
Rent	2,076	3,240	1,810	3,110	(130)	3,600	360	10.0%	Per lease agreement with St. Anne's Church
Office Supplies & Expense	1,055	1,440	185	785	(655)	1,440	0	0.0%	Same as 2017
Surfax payments	2,109	420	72	177	(243)	420	0	0.0%	
Website Expenses	360	360	0	360	0	360	0	0.0%	Webmaster
Miscellaneous	2,280	0	910	910	500	500	500	0.0%	
Subtotal-General & Surfax	402,409	492,766	583,150	761,777	269,011	541,496	48,730	9.0%	
Bond Interest	21,423	12,983	9,425	12,982	(7)	22,693	9,697	42.7%	Per bond schedules
Bond Principle	34,000	66,000	66,006	66,000	0	67,000	1,000	1.5%	Per bond schedules
Total expenditures	457,831	569,741	655,576	840,659	270,958	631,186	61,445	9.7%	
Net increase(decrease) in reserve	76,932	0	77,798	177,581	177,485	(9)			
Summary & Tax Rate Analysis									
General Revenue	430,023	472,236				481,163	1.89%	Unchanged	Unchanged
Bond Fund-Ley	41,927	41,927				61,957	95.94%	61,957	61,957
Total	471,950	514,063				563,120	9.54%	514,063	563,120
Tax Rate	0.25677	0.26178				0.26178	0.00%	0.23897	-9.71%

CITY OF MENDOTA HEIGHTS

FINAL FIRE BILLINGS
YEAR 2017

February 27, 2017

Adj. 2015 Billed	\$474,615	
Actual	\$420,108	\$ (54,507)
2017 Budget		\$ 490,189
Relief Association		\$ 126,000
Equip. Depreciation		\$ 111,358
Total Expense	\$ 873,040	

Billing Formula

	2015	%	Calls 14/15	%	Averages
Mendota Hts	\$2,087,912,100	84.04	477	84.28	84.16
Sunfish Lake	182,378,700	7.30	29	5.12	6.21
Lilydale	178,620,700	7.15	46	8.13	7.64
Mendota	37,757,900	1.51	14	2.47	1.99
	\$2,486,669,400	100.00	566	100.00	100.00

<u>Billings</u>	
Sunfish Lake	\$41,796
Lilydale	\$51,420
Mendota	\$13,394

CITY OF MENDOTA HEIGHTS

PRELIMINARY FIRE BILLINGS
YEAR 2018

August 4, 2017

Adj. 2016 Billed	\$468,764	
Actual	\$402,429	\$ (67,325)
2018 Budget		\$ 532,811
Relief Association		\$ 144,000
Equip. Depreciation		\$ 111,358
Total Expense	\$ 720,544	

Billing Formula

	2016	%	Calls 15/16	%	Averages
Mendota Hts	\$2,087,912,100	84.04	457	84.48	84.26
Sunfish Lake	182,378,700	7.30	39	7.21	7.26
Lilydale	178,620,700	7.15	36	6.85	6.90
Mendota	37,757,900	1.51	8	1.86	1.58
	\$2,486,669,400	100.00	541	100.00	100.00

<u>Billings</u>	
Sunfish Lake	\$52,319
Lilydale	\$49,725
Mendota	\$11,987

City of Sunfish Lake
2018 Proposed Budget

Taxable Market Value Comparison

	2017	%	Preliminary 2018	%	\$ Change	% Change	New Construction	% Change w/o New
Residential	173,172,410	99.1%	188,210,795	99.2%	15,038,385	8.7%	1,171,500	8.0%
Personal Property	1,563,800	0.9%	1,569,100	0.8%	5,300	0.3%	-	0.3%
Totals	174,736,210	100.0%	189,779,895	100.0%	15,043,685	8.6%	1,171,500	7.9%

Tax Capacity Value Comparison

	2017	%	Preliminary 2018	%	\$ Change	% Change	New Construction	% Change w/o New
Residential	1,933,277	98.5%	2,120,619	98.6%	187,342	9.7%	13,998	9.0%
Personal Property	30,421	1.5%	30,500	1.4%	79	0.3%	0	0.3%
Totals	1,963,698	100.0%	2,151,119	100.0%	187,421	9.5%	13,998	8.8%

City of Sunfish Lake
Comparison of Average Home Values & Impact of Proposed Tax Rate Certified to Dakota County
2018 Proposed Budget

Pay	2017	2018	% Change	2017	2018	% Change
	Mean	Mean		Median	Median	
Taxable Market Value	827,003.00	907,469.00	9.73%	758,300.00	841,200.00	10.93%
Tax Capacity:						
1% First \$500,000	8,270.03	9,074.69		7,583.00	8,412.00	
1.25% over \$500,000	10,337.54	11,343.36		9,478.75	10,515.00	
Total Tax Capacity	18,607.57	20,418.05	9.73%	17,061.75	18,927.00	10.93%
Tax Rate Comparisons:						
2018 Proposed Budget	0.26178	0.26178	0.00%	0.26178	0.26178	0.00%
	4,871.09	5,345.04	9.73%	4,466.42	4,954.71	10.93%

City of Sunfish Lake
Property Tax Levy History

8/28/2017

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Proposed</u> <u>2018</u>
Operating Levy-Incl LGA	344,828	356,500	327,900	362,800	383,000	386,509	387,300	389,569	430,023	472,236	481,163
Debt Service Levy	7,500	8,500	37,100	28,000	28,200	28,400	27,600	40,300	41,461	41,827	81,957
Total	352,328	365,000	365,000	390,800	421,200	414,909	414,900	429,869	471,484	514,063	563,120
Less Heca and Lpa/Lga	(3,246)	0	0	0	0	0	0	0	0	0	0
Net Levy - Incl LGA	349,082	365,000	365,000	390,800	421,200	414,909	414,900	429,869	471,484	514,063	563,120
Percent change from prior year	<u>4.20%</u>	<u>4.58%</u>	<u>0.00%</u>	<u>7.07%</u>	<u>7.78%</u>	<u>-1.50%</u>	<u>0.00%</u>	<u>3.51%</u>	<u>9.58%</u>	<u>9.03%</u>	<u>9.84%</u>

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City of Sunfish Lake
Budget Analysis
Year 2018

	2018	2017	Inc/(Dec)	% change
Revenue				
General Levy	\$481,163	\$472,236	\$ 8,927	1.9%
2009A Bond Levy	28,100	28,100	-	0.0%
2014A Bond Levy	19,344	13,727	5,617	40.9%
2017A Bond Levy	34,513	-	34,513	100.0%
Subtotal	563,120	514,063	49,057	9.5%
All other	68,066	55,409	\$ 12,657	22.8%
Total	631,186	569,472	61,714	9.7%
Expenditures				
	631,186	569,472	61,445	9.7%
Total	\$631,186	\$569,472	\$ 61,445	9.7%