

CITY OF COLOGNE

FINAL TAX LEVY PAYABLE 2019

INTRODUCTION

- The tax levy payable is an instrument that the City uses as a revenue source to pay for City services, like public works, parks, and administrative services. Property values in the City are used to determine the tax capacity, which is used as a general guide for how much a City might levy. The levy is also used to pay for debt service funds. Generally, the levy is not to be used to create revenue for enterprise funds such as the sewer fund, water fund, and storm sewer fund. Revenue for these funds are instead created through user fees.

BACKGROUND

- The final tax levy payable in 2019 for the City of Cologne is due to the County no later than December 28, 2018. The tax levy for the City of Cologne over the past few years is listed below:
- 2018: \$1,242,746 (5.6% increase over 2017)
- 2017: \$1,176,349 (5.7% increase over 2016)
- 2016: \$1,113,000 (6% increase over 2015)

BACKGROUND CONT.

- The taxable market value of Cologne for the final 2018 levy was \$151,579,300. The estimated taxable market value for 2019 is \$176,212,100.
- Estimated market values for 2019 are based off the status of properties on January 2, 2018. In the time since these estimates would have been calculated, Cologne has had **19** new home permits, of which nearly all are being built or are completed.

BACKGROUND CONT.

- The City's tax rate determines how much you will pay in City taxes in a given year. The tax rate is a ratio of the amount of taxes the City levies versus the tax capacity for the City. The tax rate for the previous three years are as follows:
 - 2018: 67.951%
 - 2017: 69.702%
 - 2016: 70.962%

TAX RATE 2013-2019

Final Tax Rate



- The City portion of your tax bill is determined by taking the taxable market value of your home, minus the homestead exception, and multiplying it by the tax rate. EX:

Home Value	\$ 150,000	\$ 200,000	\$ 250,000	\$ 300,000	\$ 350,000.00	\$ 375,000.00
Homestead Exclusion	\$ 23,740	\$ 19,240	\$ 14,740	\$ 10,240	\$ 5,740	\$ 3,490
Taxable Market Value	\$ 126,260	\$ 180,760	\$ 235,260	\$ 289,760	\$ 344,260	\$ 371,510
Class Rate	1%	1%	1%	1%	1%	1%
Net Tax Capacity	\$ 1,262.60	\$ 1,807.60	\$ 2,352.60	\$ 2,897.60	\$ 3,442.60	\$ 3,715.10
2017 Tax Rate (69.702)	\$ 880.06	\$ 1,259.93	\$ 1,639.81	\$ 2,019.69	\$ 2,399.56	\$ 2,589.50
2018 Tax Rate (67.951)	\$ 857.95	\$ 1,228.28	\$ 1,598.62	\$ 1,968.95	\$ 2,339.28	\$ 2,524.45
2019 4.9% Increase (62.209)	\$ 785.45	\$ 1,124.49	\$ 1,463.53	\$ 1,802.57	\$ 2,141.61	\$ 2,311.13

HOW TAX RATE AFFECTS TAXES PAID

Taxes Payable Year:	2015	2016
Estimated Market Value:	119,500	134,200
Homestead Exclusion:	26,500	25,200
Taxable Market Value:	93,000	109,000
New Improvements/ Expired Exclusions:		
Property Classification:	Res Hstd	Res Hstd

City tax amount payable is calculated by taking the taxable value times the class rate (.01), multiplied by the tax rate (70.962% in 2016.)

$$\$109,000 * .01 = \$1,090$$

$$\$1,090 * 70.962\% = \$773.49$$

6. County	A. CARVER COUNTY	375.55	423.48
	B. CO RAIL AUTHORITY	0.90	1.20
7. City or Town	CITY OF COLOGNE	663.68	773.49
8. State General Tax			
9. School District	SD 0108 Central Schools		
	A. Voter Approved Levies	96.52	107.16
	B. Other Local Levies	193.91	224.02
10. Special Taxing Districts	A. Metro Council	8.80	9.96
	B. Metro Mosquito Control	4.58	5.21
	C. Carver County CDA	14.77	18.54
	D. Watershed	8.29	9.94
11. Non-school voter approved referenda levies			
12. Total property tax before special assessments		1,367.00	1,573.00
13. Special Assessments	Interest: Principal: 25.00	25.00	25.00
14. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS		1,392.00	1,598.00



LEVY INCREASE 4.9%

City of Cologne Final Levy Certification Payable 2019

	FUND	Budget Amount (Prior to any state aid adjustments) (A)	Debt Fund? (Y or N)	G.O. Bond? (Y or N)	Tax Based Upon? (✓ one)		LGA Percent Distribution (A) / Total (A) (B)	Local Govt Aid (LGA) (as certified by Dept of Rev) Total (C) X (B) (C)	Certified Levy to County Auditor (A) - (C) = (D) (D)
					Net TC	EMV			
1	Revenue/General	\$ 774,185	N	N	✓			\$ 99,000	\$ 675,815
165	2013A Crossover Refunding	\$ 723,675	Y	Y	✓			\$ 111,000	\$ 612,675
178	2018A Equipment Certs	\$ 17,060	Y	Y	✓			\$ 1,404	\$ 15,656
	TOTAL						100.000%	\$ 211,404	\$ 1,304,146

MUST BE IN DOLLAR AMOUNTS ONLY! (NO CENTS)

Please verify that all lines add across and all columns add up to the number reported on the total line.

By signing this form I am certifying that the monies levied will be sufficient to meet all bond and interest payments.

Authorized Signature

Date



LEVY INCREASE 4.9%

- At a 4.9% increase to the levy from 2018, the City's debt service commitments would be completely funded. Included in the levy is the final payment to the Cologne Fire Department Relief Association to fully fund the pension fund and additional maintenance funds for the Fire Department. Also included are the last of the security upgrades for the Community Center as well as funds to potentially be used to begin replacing equipment in the Fitness Center.

LEVY INCREASE 4.9%

- The contractual services portion of the streets fund is still maintaining its current budget amount of \$115,000. Historically, the City has not used the full amount, but has budgeted high enough to cover potential issues. With the upcoming improvement project, this fund will likely remain mostly untouched. However, one potential reason for leaving the budgeted amount the same is to take whatever remains from summer pothole repairs and move them to an assigned street fund in the City's General Ledger to help offset future improvement project costs.

GENERAL FUND IMPACT

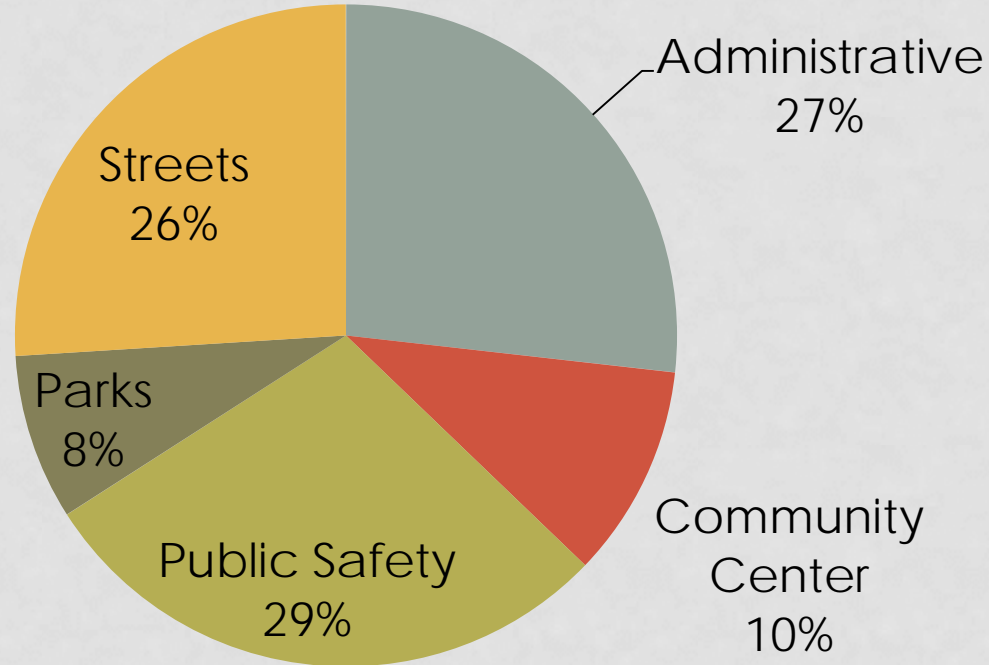
- The general fund expenditure budget for a 4.9% increase in the levy is \$1,287,751.
- For comparison, the general fund budgets in previous years:
 - 2018: \$1,196,282
 - 2017: \$1,248,223
 - 2016: \$1,301,973

GENERAL FUND IMPACT

- General fund revenue sources are made up predominantly by the levy and several building permit accounts. The City of Cologne has historically been very cautious with its forecasts on homes for future years.
- The budgeted amount of homes to be built for 2019 is 15, based off of the number of lots currently remaining to built.

GENERAL FUND BREAKDOWN

Breakdown by Department



CONCLUSION

- The City of Cologne is in a position to approve a minimal levy increase that will simply keep all of the operations funds level while keeping room for upcoming projects and debt issuances.
- For the last several years the City has consistently lowered its tax burden on its residents.