

December 3, 2015

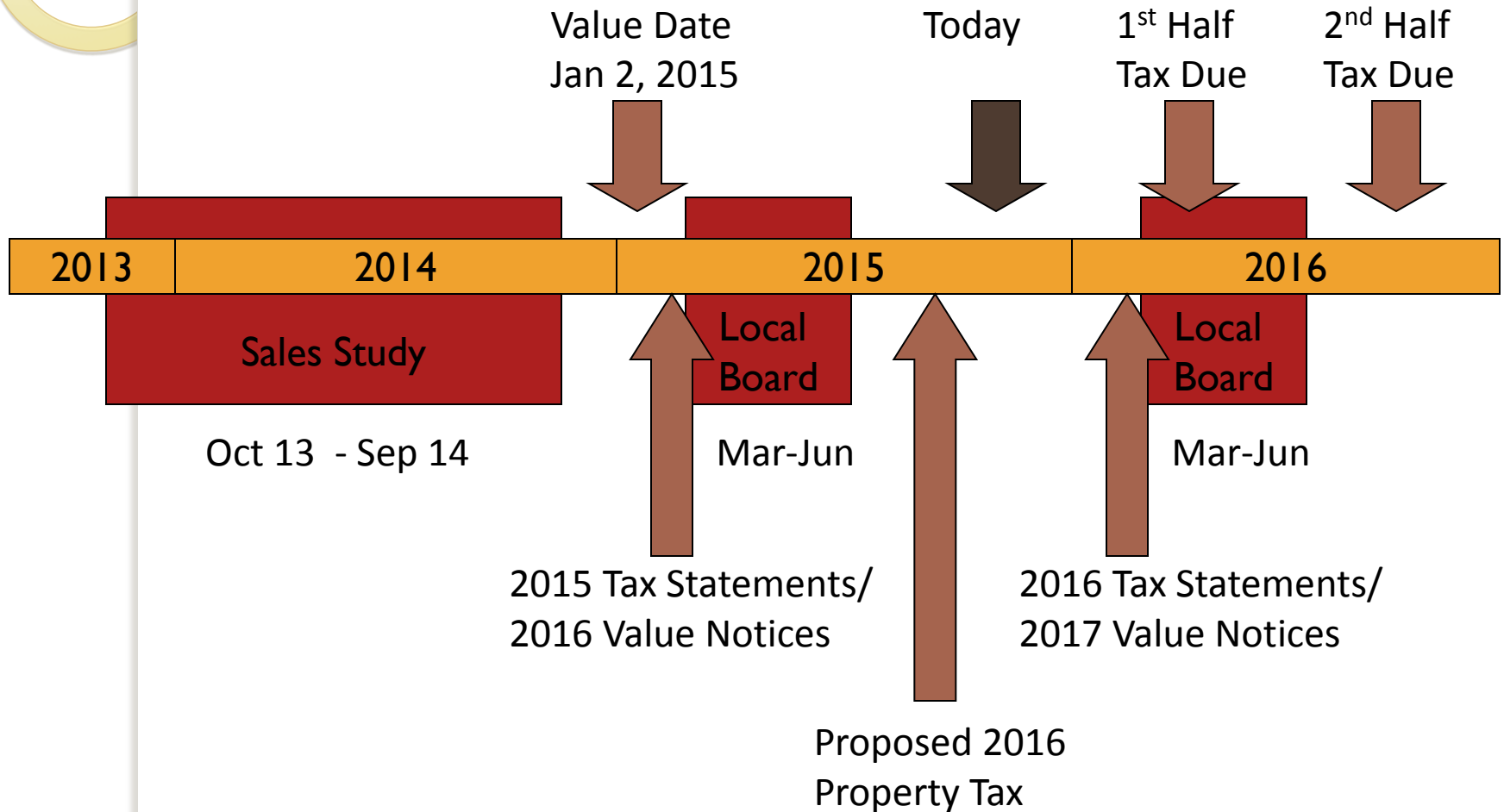


**2016 Proposed Budget and Tax
Meeting**

Agenda

- The property tax system – how does it work?
- Scott County's proposed budget
 - Priorities
 - Revenue, Expense and Levy
- The impact to you, the property owner
- Q&A/Discussion

The Property Tax System: Timeline for Taxes Payable in 2016





The Property Tax System: Questions on Your Market Value?

- If you have any questions about your property's market value, representatives from the Assessor's Office are available to visit with you concerning issues dealing with valuation and/or classification.
 - Feel free to meet with them now, or
 - Schedule an appointment for a later date

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Planning/Budget Priorities

Sound fiscal management

- Maintaining reliable and consistent property tax levels (*no surprises and no spikes*)
- Multi-year planning (*five-year planning model*)
- Development and implementation of strategic (priority-based) budgeting

Maintaining and managing fund balance

- Recognition and prudent uses of fund balance and maintaining reserves (within policy parameters)

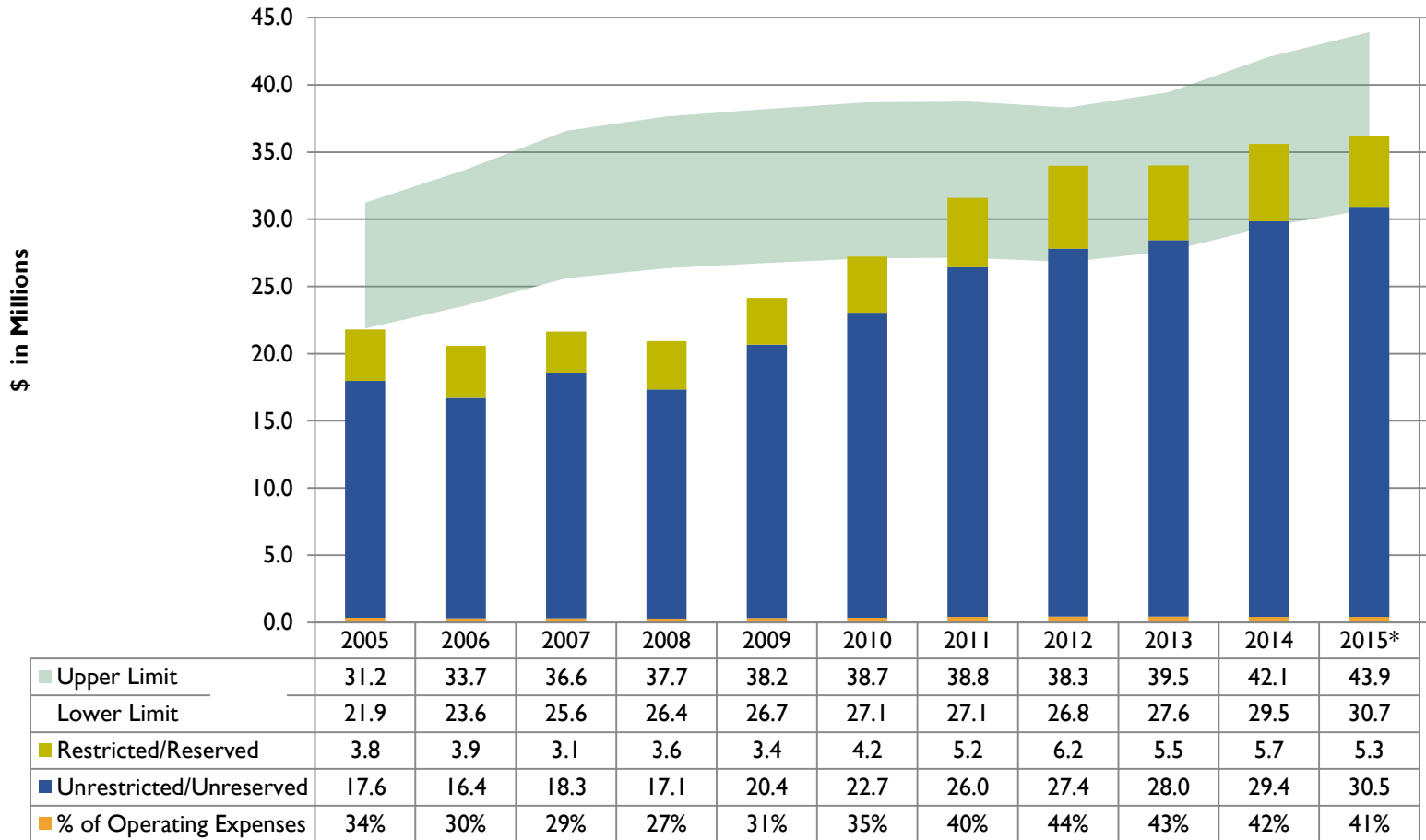
How are we doing?

(Minimize Tax Impacts)

- Limited levy increases – the levy has increased, on average, in the last six years **less than one percent annually** – well below the level of inflation and new construction growth
- We have one of the **lowest net tax levies**, per capita, in the state... and the **fourth lowest in the metro area**
- We have the third lowest tax rate in the metro area – and it is continuing to go down

How Are We Doing?

Scott County Year End Fund Balances and Office of the State Auditor Fund Balance Guideline



OSA fund balance guideline is defined as 35 - 50% of operating expenses.

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What is in the 2016 Budget

- Additional dollars to Public Works Operations budget for sealcoating and road maintenance – ***we are playing catch-up***
- Additional dollars into Parks budget to continue establishing a more workable operating budget – ***to support the investments we have made***
- Additional dollars to support federal lobbying – ***for transportation and Metropolitan Planning Organization (MPO) activities***
- Additional dollars to fund fiber optic network – ***to establish and support the last leg of the network***
- A risk pool for those items that are unpredictable – ***inmate medical, sex offender holds, out of home placement, sand and salt***

What is in the 2016 Budget

- Capital Improvement Plan (CIP)
 - Transportation Improvement Plan (TIP)
 - Parks Improvement Plan (PIP)
 - Building Improvement Plan (BIP)
 - Information Technology Improvement Plan (ITIP)
 - Capital Equipment Plan (CEP)
 - Fleet
 - Misc. Equipment

2016 Budget

(000's)

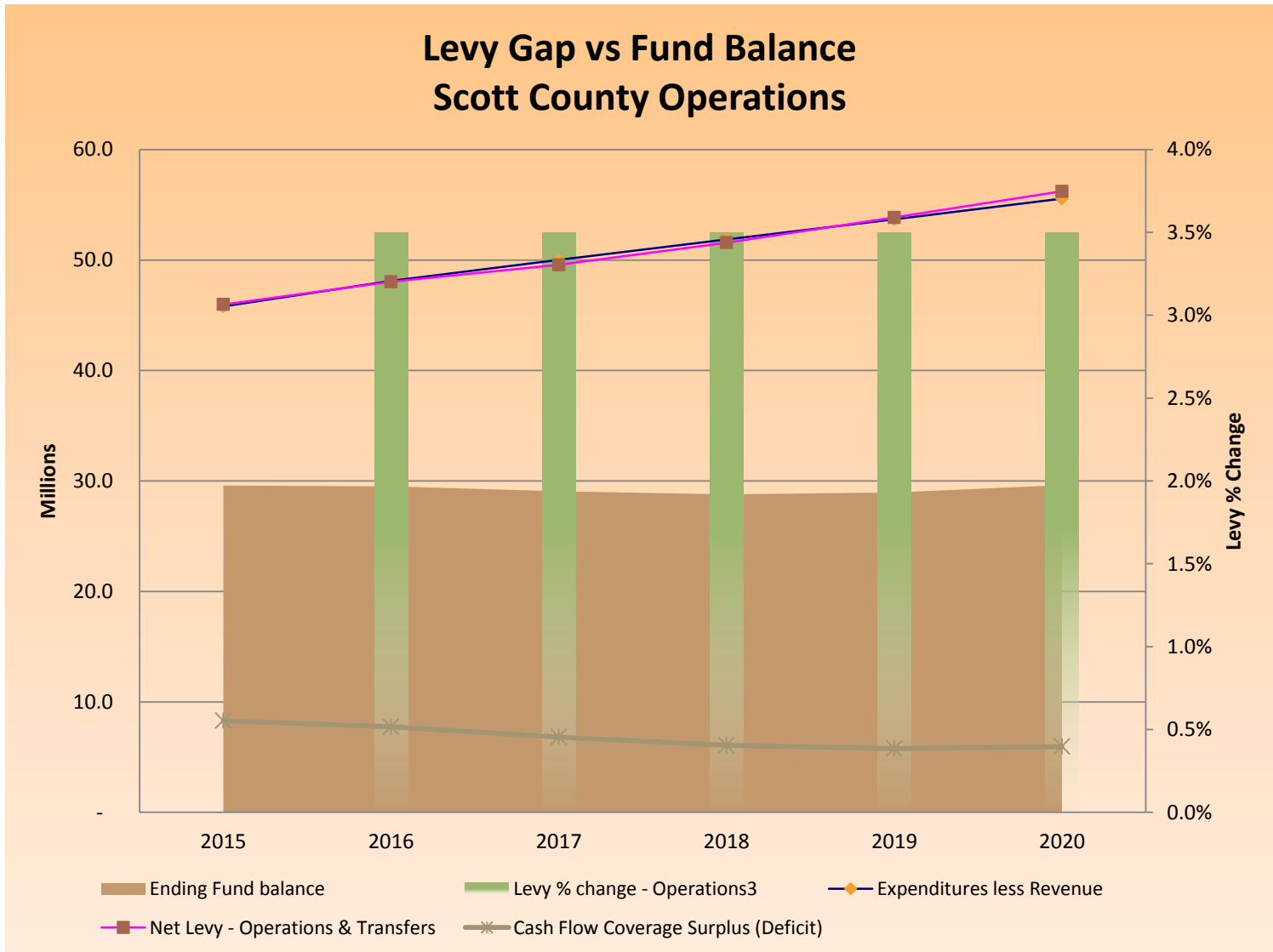
	2015	2016	Change	% Change
Operating	\$88,100	\$94,146	\$6,046	+6.9%
Capital and Debt	\$48,420	\$47,344	\$1,076	-2.2%
Total	\$136,520	\$141,490	\$4,970	3.6%

2016 Levy

(000's)

	2015	2016	Change	% Change
Operating	\$45,982	\$48,414	\$2,432	+5.3%
Capital and Debt	\$14,790	\$12,416	\$374	-0.0%
Total	\$58,772	\$60,830	\$2,058	+3.5%

Five Year Budget Model





Budget Drivers included in 2016 - 2020 Fiscal Modeling

- **Total rewards** – estimated for 2016 through 2020
- **Health Insurance** – 3% increase 2016 through 2020
- **Increased staffing** – as previously indicated
- **Software maintenance costs** – increased for new systems
- **Fleet fuel costs**– increased
- **County program aid** – decreased 2016 only
- **Levy** – increases at estimated growth (new construction) and inflation

Concerns Beyond 2016

- Rising jail population
 - Cost to open POD in 2017 or 2018
 - Mitigating strategies
- Affordable Care Act – so called Cadillac tax
 - Potential fiscal impacts
 - Maintaining and/or mitigating strategies
- Medical Examiners Office
 - Need for new space 2017 or beyond
- Capital Improvement Funding
- Market Rate Salaries
 - Critical areas
 - Tied to union negotiations (2017) and total rewards

Concerns Beyond 2016

- Workforce planning and attraction / retention of staff:
 - Large numbers of employees nearing retirement and the exodus will hit the public sector first and be more pronounced.
 - Competition for skilled employees is already beginning to grow
 - Expectations of younger employees regarding work/life balance are dramatically different than older staff
 - Knowledge Management (loss of historical perspectives & brain drain due to volume of retirement)
 - Organizational Culture – Values, flexibility, trust, innovation, learning, use of technology
 - Significant skills shortage in certain areas

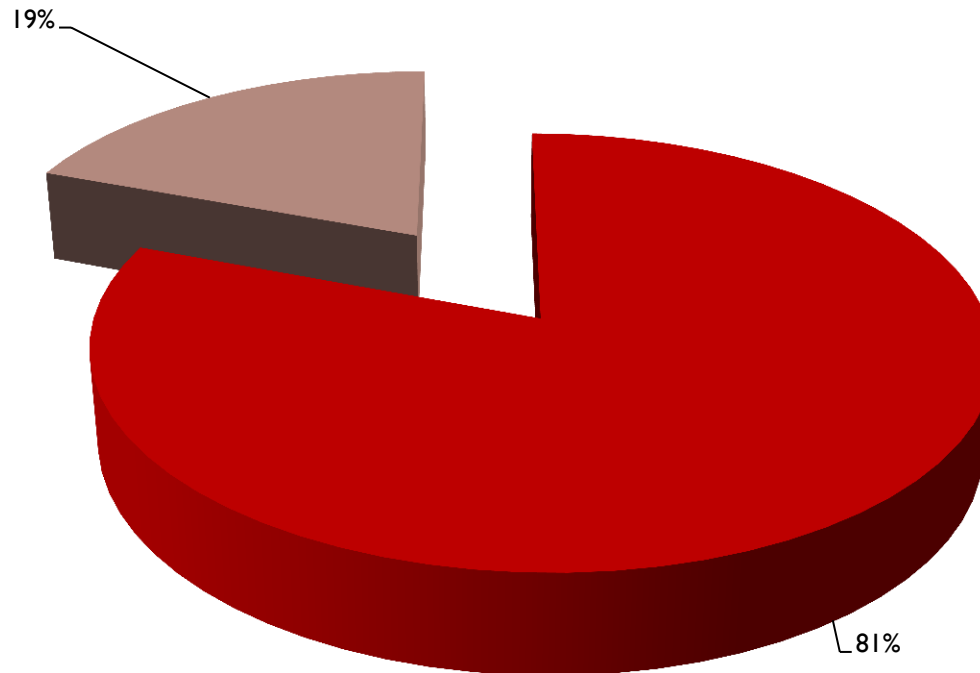
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Impact to Property Owners: Taxes – 3.5% Levy Increase

Taxes Payable 2016 Residential Properties

■ Increase ■ Decrease



Countywide Pay 2016 average increase of \$44.94

Property Tax Refund

- Regular Homestead Credit Refund
 - Income limited – if 2015 household income less than \$107,930
- Special Homestead Credit Refund
 - Increase greater than 12% and at least \$100
 - Increase is not due to improvements made to the property
 - No income limit
- Renters
 - Income limited – household income less than \$58,490
- Minnesota Form M1PR electronically or by mail
- File 2015 form before August 15, 2016
- See:
 - <http://www.revenue.state.mn.us/>

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