

December 5, 2017

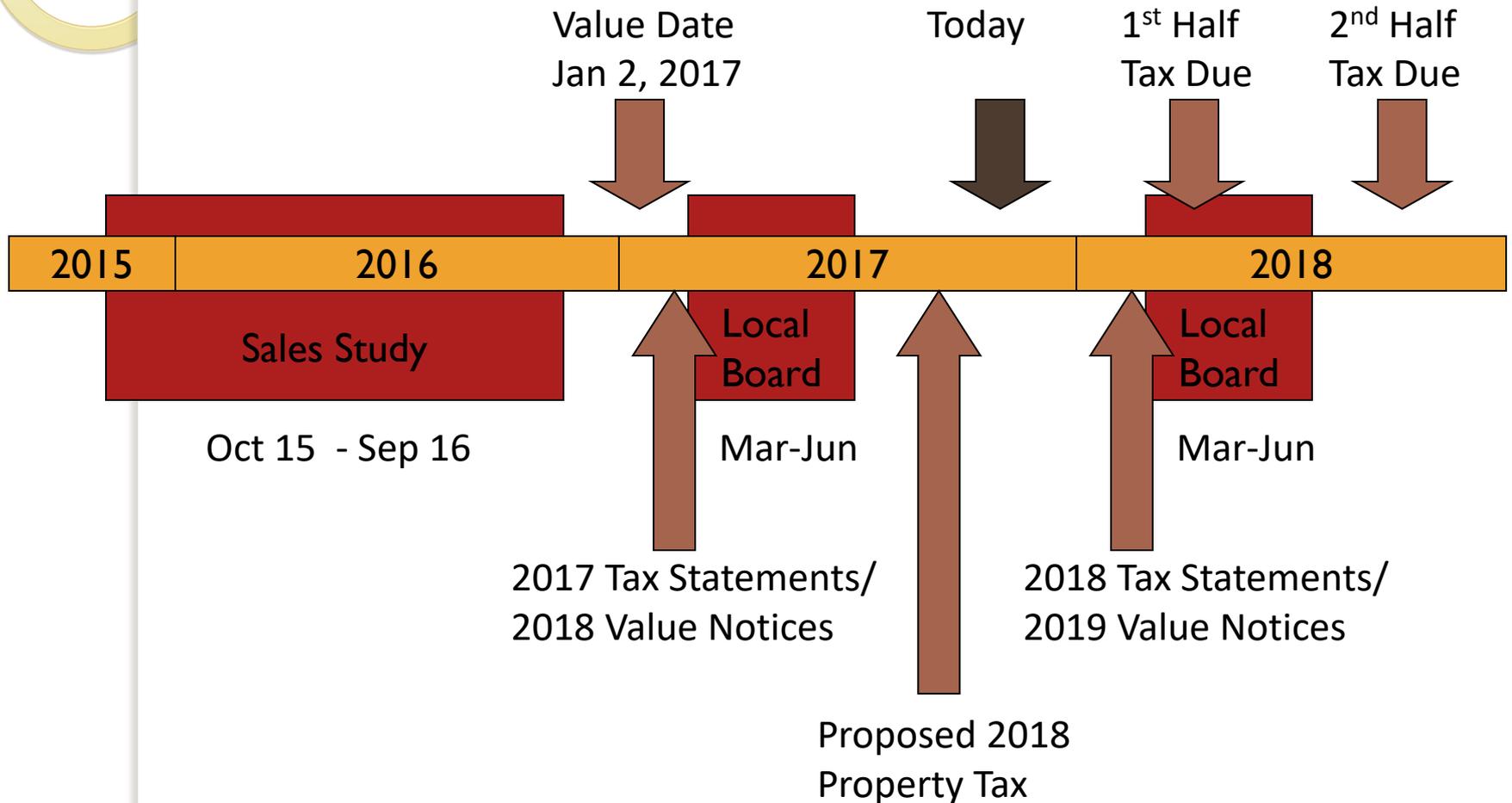


**2018 Proposed Budget and Tax
Meeting**

Agenda

- The property tax system – how does it work?
- Scott County's proposed budget
 - Board's Fiscal Policy and Direction
 - Planning and 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 2018





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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Board's Fiscal Policy and Direction

- Provide long term fiscal stability while minimizing tax impacts
- Maintaining a reasonably level and constant future tax burden; focused on modeling limited and relatively level increases
- Provide the level of services necessary to meet mandates and citizen expectations

Planning and Budget Priorities

Sound fiscal management

- Maintaining reliable and consistent property tax levels (*no surprises and no spikes*)
- Meeting fiscal challenges with structural changes
- Multi-year planning (*five-year planning model*)
- Development and implementation of strategic (priority-based) budgeting
- Total Rewards Compensation Strategy (keep within 70 to 75%)

Maintaining and managing fund balance

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

2018 Budget

(000's)

	2017	2018	Change	% Change
Operating	\$97,846	\$102,990	\$5,144	+5.3%
Capital and Debt	\$53,979	\$25,593	-\$28,386	-52.6%
Total	\$151,825	\$128,583	-\$23,242	-15.3%

2018 Levy

(000's)

	2017	2018	Change	% Change
Operating	\$50,787	\$52,876	\$2,089	+4.1%
Capital and Debt	\$12,873	\$12,817	\$56	-0.4%
Total	\$63,660	\$65,693	\$2,033	+3.19%

What is in 2018 Budget

(Key Budget Drivers Impacting the Levy)

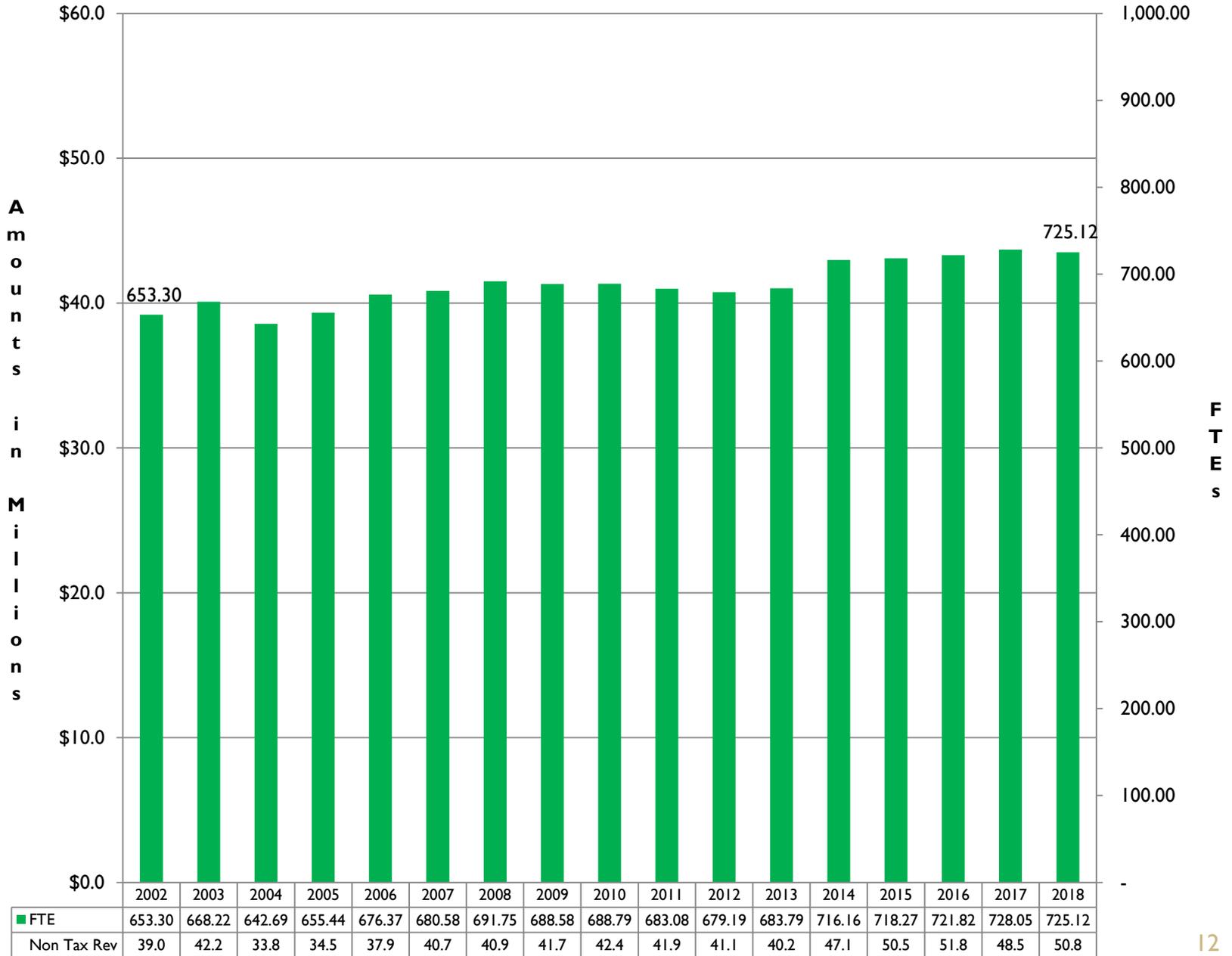
- **Labor costs** – includes salary and other labor costs associated with approved contracts for 2018 and 2019
- **Health Insurance** – a 3.5% increase for 2018 in health insurance costs
- **Impacts from State cost shift related to the MNChoice Program** – HHS bill shifted approximately \$9.65 million annually (\$11.1 million annually next biennium) to counties (local property taxes)
- **Inflationary increases in Fleet and Energy Costs** – approximately 3%; and in Software maintenance costs – approximately 2%
- **Capital Improvement Plan** – \$300,000 increase in CIP funding
- **Increased spending for Children's Services** – child protection and out of home placement costs

What is in 2018 Budget

(Key Budget Drivers Impacting the Levy)

- **Increased funding for Victim Assessments** – processing and payment for rape kits
- **Funding for Trails Preventative Maintenance** – shared 50/50 with cities.
- **Increased staffing within the County Attorney and Sheriff's Offices:**
 - An Assistant County Attorney
 - A Sheriff's Deputy
 - A Computer Forensic Technician
 - A Radio Coordinator
 - Increased Support Staff
- **The addition of other generally off-levy staff combined with the elimination of 20 positions within the Health and Human Services Budget**

2002 - 2018 Scott County Staffing



2018 Budget

- **Is fiscally sound.**
 - Maintains a reliable and consistent property tax level (*no surprises and no spikes*).
 - Maintains our compensation strategy (Total Rewards within 70 to 75 percent).
 - Provides for prudent uses of fund balance and maintains reserves (within policy parameters).
- **Relieves pressures in some areas that are dependent upon levy for FTEs.**
- **Improves Capital Funding.**
 - Adds dollars for general capital maintenance and technology needs.
 - Provides within the model for space deficiencies both at the Government Center campus and Medical Examiner's office.
- **Meets fiscal challenges with structural and operational changes and accounts for **policy and cost shifts and failures** at the State and Federal levels:**
 - DT&H.
 - MNChoice.
 - Mental health services.
 - Transportation.

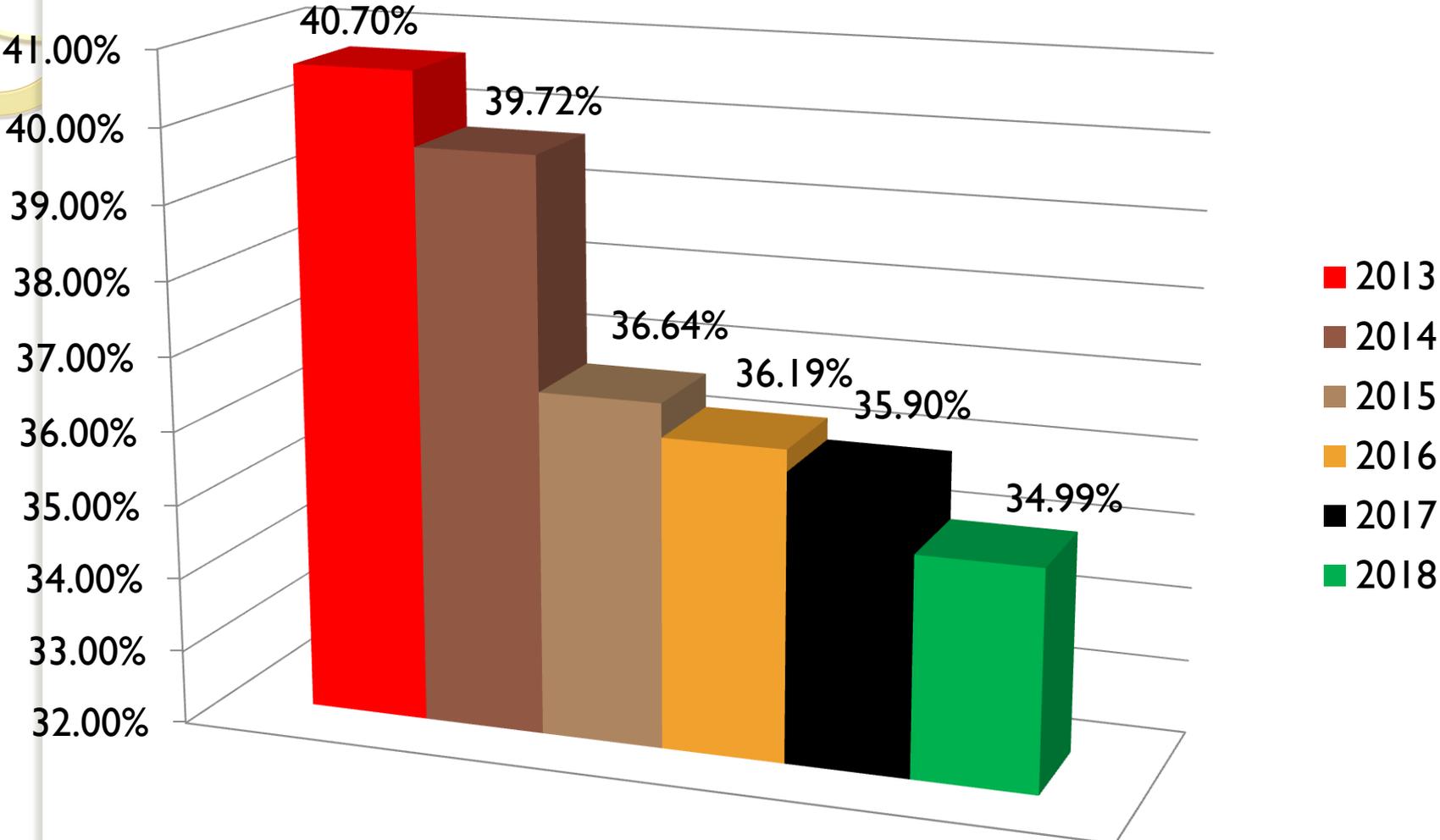
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Minimizing Tax Impacts

- Limited levy increases – with the proposed 2018 levy the levy will have increased, on average, in the last nine years **1.7% annually** – well below the level of inflation and new construction growth
 - Inflation during same time period 1.69%
 - New Construction during same time period 1.28%
 - Combined 2.97%
- At 35.90% we have the 3rd lowest tax rate in the metro area, 2nd lowest with respect to neighboring counties – with the 2018 proposed levy **it will decrease slightly** ; and,

2013-2018 Scott County Tax Rates



2018 represents a continuing reduction in Scott County's Tax Rate

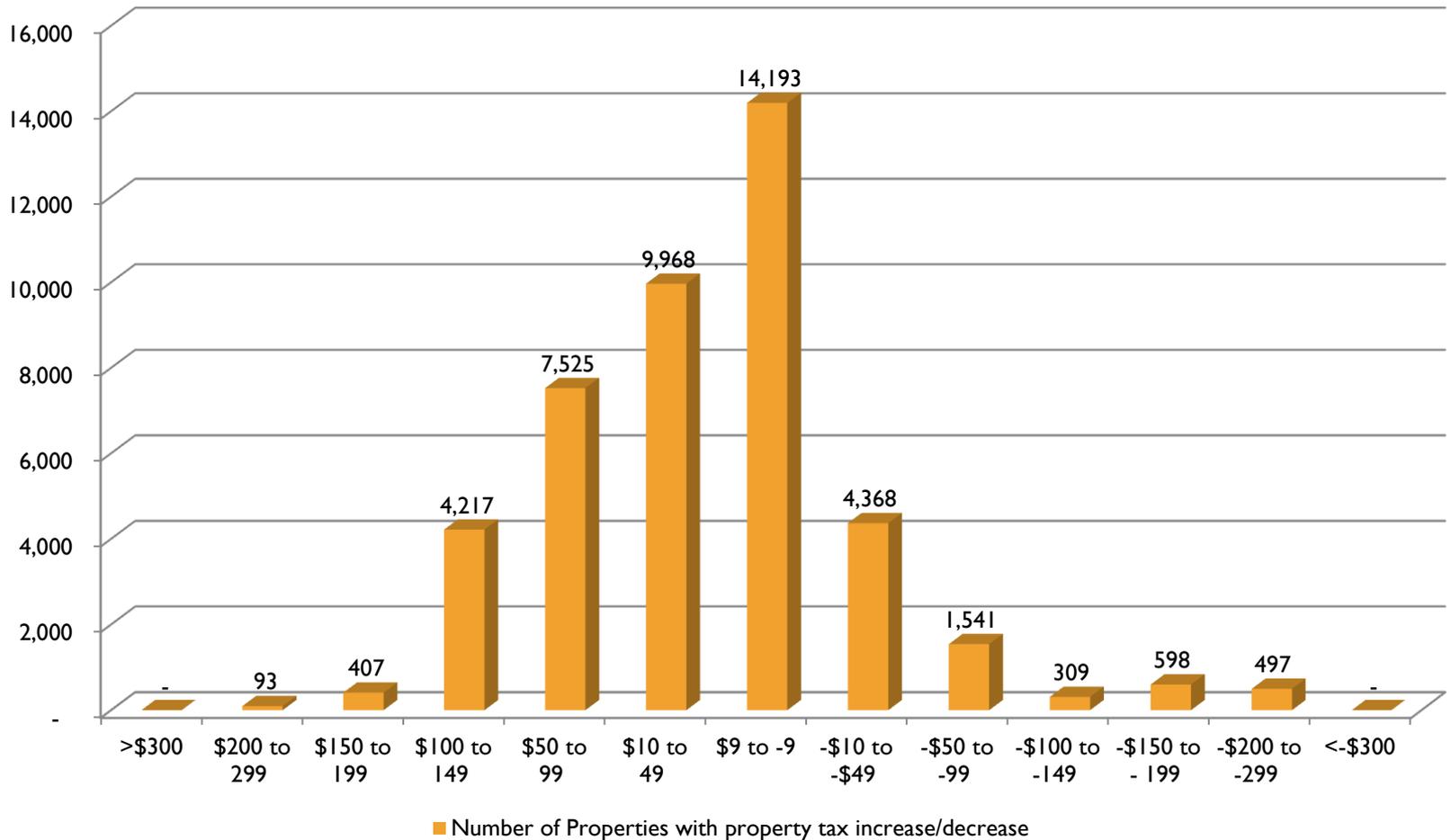


Estimated Residential Impacts

- The majority (53%) of homes in the County will see a decrease in the County portion of their property tax bill.
- A 2017 averaged valued home (about \$275,000) with no change in value would see a roughly \$27 decrease in tax
- The 2018 average valued home (about \$290,000) after increase in valuation would see a 3.4% increase or \$31.69.

Tax Impact by Amount

Residential Properties with property tax increase/decrease Taxes Payable 2018



Limiting Impact to Property Owners

Property Tax Refund

- **Regular Homestead Credit Refund**
 - Income limited – if 2017 household income less than \$110,650
- **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 \$59,960
- **Minnesota Form M1PR electronically or by mail**
- **File 2017 form before August 15, 2018**
- **See: <http://www.revenue.state.mn.us/>**

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