

2021 Proposed Max Tax Adoption

City Council Work Session | September 22, 2020



2021 BUDGET PROCESS

MEETING DATES	DISCUSSION TOPICS
June 9	2021 Preliminary Budget Pressures
August 25	Review of Max Tax Proposal
September 22	Council Adopts Maximum Tax Levy (City & EDA)
September 30	Proposed Budget Book to Council
October 27	Department Presentations at Work Session
	Council Work Sessions on the Budget:
November 10	General fund & Other Property Tax Supported Funds
November 24	Capital Projects, CIP, & Enterprise Funds
December 8	Council Adopts Tax Levies and Budget

Resolutions to be considered

City Resolution

- Certify the 2021 proposed tax levy for the City of Burnsville
- \$39,058,352

EDA Meeting

- EDA authorizes the 2021 proposed EDA tax levy
- \$247,500

City Council Meeting Resumes

- City Council approves the EDA tax levy

August Max Tax and Proposed Max Tax Comparison

2021 Proposed Levy Increases	Proposed 2021	% Change
August Max Tax:		
General fund Operations: Current Service Levels	\$1,687,931	4.5%
Decreases in Other Revenue Sources	903,681	2.4%
Planned funding for Capital Funds	204,800	0.5%
Total City Levy	2,796,412	7.4%
EDA Levy Increase	50,000	0.1%
Total August Max Tax Projection	2,846,412	7.5%
Proposed expense shifts and reductions	(120,081)	-0.3%
Additional one-time use	(1,206,653)	-3.2%
2021 Proposed Levy Increase	\$1,883,814	4.0%

2021 Proposed Use of Fund Balance

	Aug 25 Max Tax proposal 2021	Sept 22 Max Tax Proposed 2021
Planned Uses:		
Use of Restricted for Landfill	\$151,161	\$151,161
Ice Center Debt Service	140,000	140,000
Community Development Software	290,000	290,000
Community Development Vehicle Replacements	96,000	96,000
City Code 10 & 11 Overhaul	-	125,000
Additional one time use	-	1,081,653
Planned Use of Fund Balance	\$677,161	\$1,883,814



What does the proposed 2021 budget accomplish?

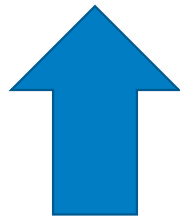
- **Maintains current service levels**
- **Includes the use of \$3.41 million in CARES funding to offset the City's 2020 eligible COVID-19 expenditures**
- **Assumes an additional one-time use of fund balance of \$1.2 million and an additional \$120,000 in expenditure reductions**
- **Use of additional fund balance results in anticipated fund balance levels of approximately 48%, remaining within targeted range**
- **Results in a overall proposed tax levy increase of 4%, a decrease of 3.5% from the original max tax proposal.**

2021 Proposed City and EDA Property Tax Levy

Fund	Proposed 2021 Levy	Change	% Change in Total Levy
City Levy	\$39,058,352	\$1,469,678	3.9%
Economic Development Authority (EDA) Levy	247,500	50,000	0.1%
Total City + EDA Levy	\$ 39,305,852	\$ 1,519,678	4.0%

Burnsville Median Value Home – Estimated Impact of 4.0% Levy Increase

- 2020 Value \$267,500
- 2021 Value \$277,300



3.7% Median Value Increase



\$39 annual tax increase
(\$3.25/month)