

City of Thief River Falls

**2010
PROPERTY TAX
AND
BUDGET INFORMATION**

City of Thief River Falls

**PROPERTY
TAXES**

WHY PROPERTY TAXES VARY FROM YEAR TO YEAR

- THE MARKET VALUE OF A PROPERTY MAY CHANGE
- THE MARKET VALUE OF OTHER PROPERTIES IN YOUR TAXING DISTRICT MAY CHANGE, SHIFTING TAXES FROM ONE PROPERTY TO ANOTHER
- THE STATE GENERAL PROPERTY TAX MAY CHANGE

WHY PROPERTY TAXES VARY FROM YEAR TO YEAR

- THE CITY BUDGET AND LEVY MAY CHANGE
- THE COUNTY BUDGET AND LEVY MAY CHANGE
- THE SCHOOL DISTRICT'S BUDGET AND LEVY MAY CHANGE
- A SPECIAL DISTRICT'S BUDGET AND LEVY MAY CHANGE

WHY PROPERTY TAXES VARY FROM YEAR TO YEAR

- SPECIAL ASSESSMENTS MAY BE ADDED TO YOUR PROPERTY TAX BILL
- VOTERS MAY HAVE APPROVED A SCHOOL REFERENDUM
- FEDERAL AND STATE MANDATES MAY HAVE CHANGED
- AID AND REVENUE FROM THE STATE AND FEDERAL GOVERNMENTS MAY HAVE CHANGED

WHY PROPERTY TAXES VARY FROM YEAR TO YEAR

- OTHER STATE LAW CHANGES MAY ADJUST THE TAX BASE

GLOSSARY OF TERMS

MARKET VALUE: An assessor's estimate of what property would be worth if it were sold.

CLASS RATES: Depending on use, properties have different class rates that determine the properties' relative share of the property tax burden as well as the property's tax capacity. These class rates are established by the State of Minnesota.

TAX CAPACITY: The tax capacity of a property is determined by multiplying its class rate by the property's assessed market value.

GLOSSARY OF TERMS

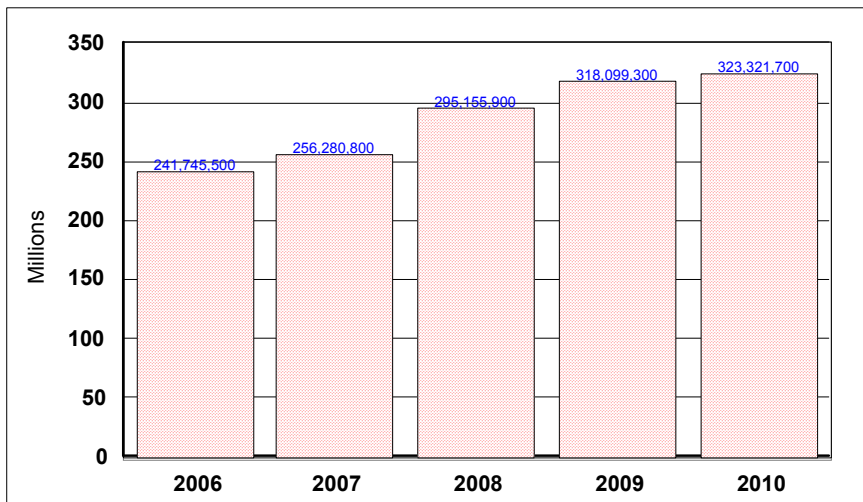
PROPERTY TAX LEVY: The City certifies in dollars an amount necessary to raise adequate revenue for the operating budget when combined with other expected revenues.

LOCAL TAX RATE: To compute the tax rate, the city's certified property tax levy is divided by the city's total tax capacity.

GLOSSARY OF TERMS

LOCAL GOVERNMENT AID (LGA): A state government revenue sharing program for cities with low property wealth or high service burdens that is intended to provide an alternative to the property tax.

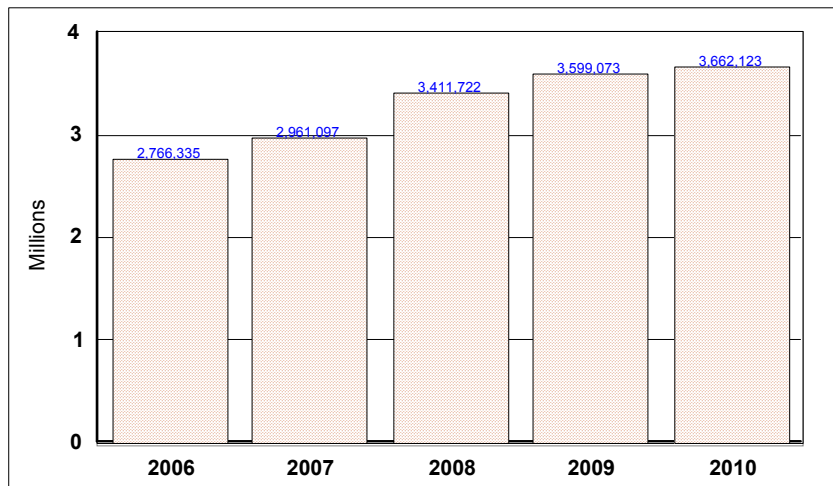
CITY OF THIEF RIVER FALLS MARKET VALUE



STATE OF MINNESOTA PROPERTY CLASS RATES

<u>Property Description</u>	<u>Class Rate Payable 2010</u>
First \$500,000 of residential homestead and single-unit residential	1.0 percent
Amount over \$500,000	1.25 percent
First \$150,000 of commercial/industrial	1.5 percent
Amount over \$150,000	2.0 percent
Four or more units of rental residential	1.25 percent

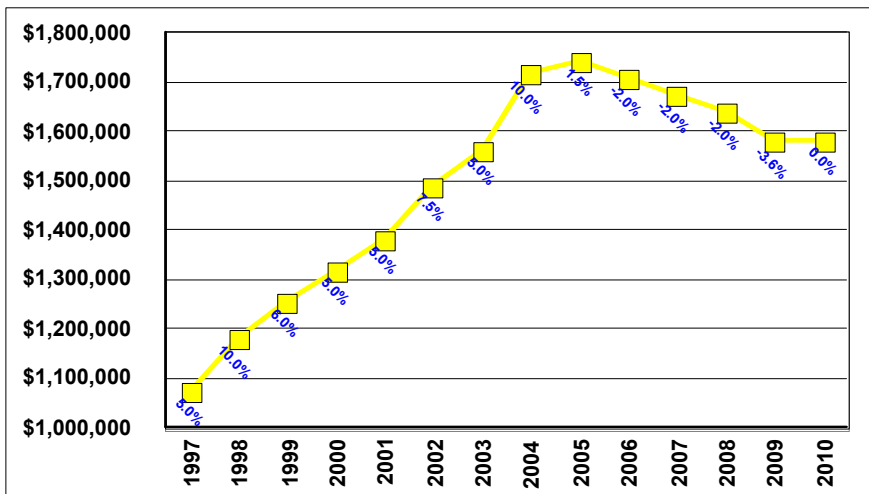
CITY OF THIEF RIVER FALLS TAX CAPACITY VALUES



CITY OF THIEF RIVER FALLS 2006-2010 PROPERTY TAX LEVY

	2006	2007	2008	2009	2010
	Levy	Levy	Levy	Levy	Levy
General Fund Levy	\$ 1,402,623	\$ 1,441,430	\$ 1,500,922	\$ 1,482,406	\$ 1,482,406
Bonded Debt Levy	\$ 307,000	\$ 234,000	\$ 141,000	\$ 100,000	\$ 100,000
NET TAX LEVY - LOCAL	\$ 1,709,623	\$ 1,675,430	\$ 1,641,922	\$ 1,582,406	\$ 1,582,406
 Percent Increase/Decrease -Local Levy		-2.0%	-2.0%	-3.6%	0.0%

CITY OF THIEF RIVER FALLS PROPERTY TAX LEVY HISTORY

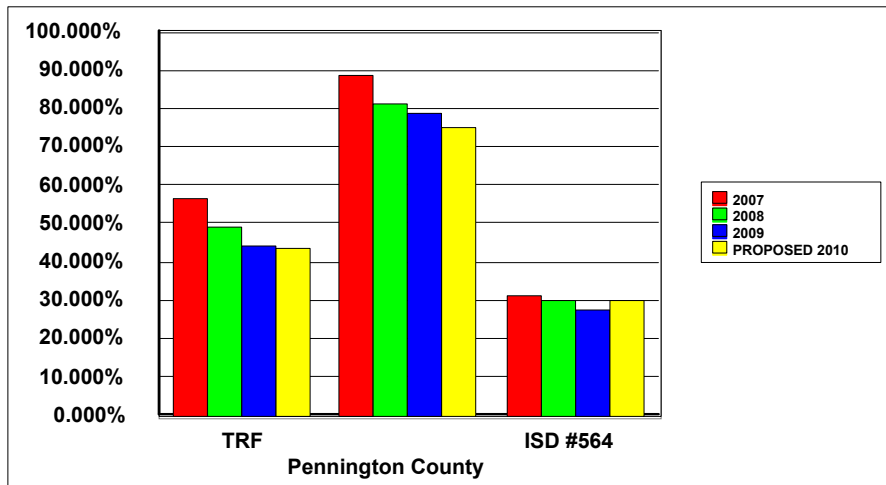


CITY OF THIEF RIVER FALLS LOCAL TAX RATE

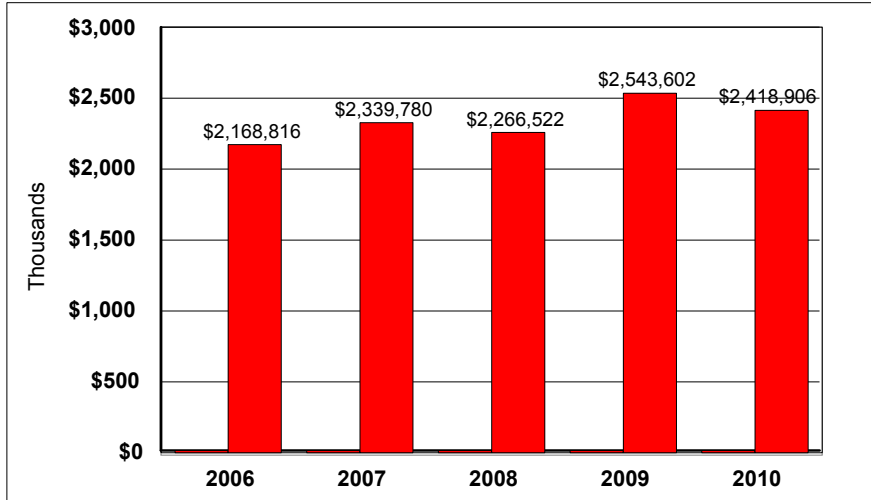
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Proposed 2010</u>
TRF	56.581%	48.935%	43.967%	43.210%
Pennington County	88.484%	81.276%	78.737%	75.194%
ISD #564	31.446%	30.044%	27.645%	30.183%
Special Tax Districts*	5.411%	5.494%	5.705%	5.715%
Total	181.922%	165.749%	156.054%	154.302%

*Red Lake Watershed District, NW Regional Development Commission, and NW Minnesota Multi-County HRA

CITY OF THIEF RIVER FALLS LOCAL TAX RATE COMPARISON



CITY OF THIEF RIVER FALLS LOCAL GOVERNMENT AID



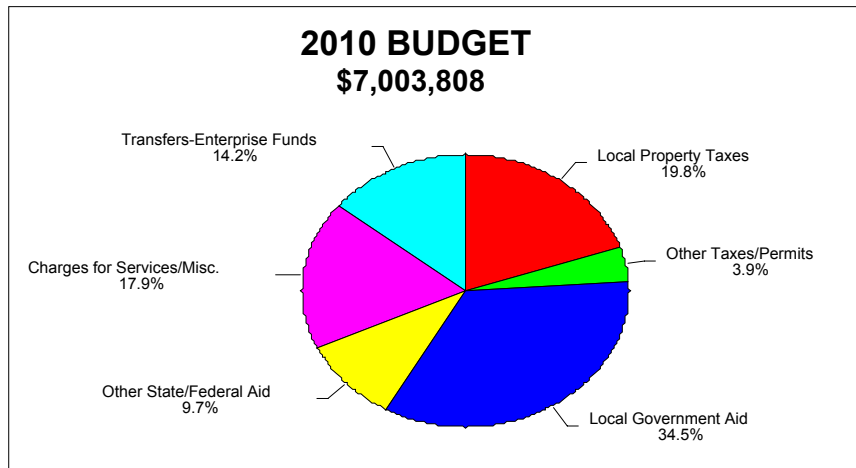
City of Thief River Falls

2010 BUDGETS

CITY OF THIEF RIVER FALLS MUNICIPAL CORPORATION

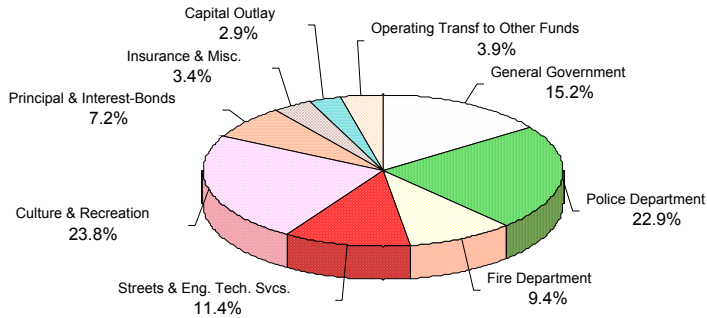
GOVERNMENTAL FUNDS	PROPRIETARY FUNDS
<p>GENERAL FUND</p> <p>DEBT SERVICE FUNDS</p> <p>CAPITAL PROJECT FUNDS</p> <p>SPECIAL REVENUE FUNDS</p> <p style="padding-left: 20px;">CDAB Revolving Fund</p> <p style="padding-left: 20px;">Swimming Pool Fund</p> <p style="padding-left: 20px;">Multi-Events Center Fund</p> <p style="padding-left: 20px;">TRF Library Trust Fund</p> <p style="padding-left: 20px;">Engelstad Arena Project Fund</p> <p style="padding-left: 20px;">Tax Increment Financing Districts</p> <p style="padding-left: 20px;">Revolving Capital Outlay Fund</p> <p style="padding-left: 20px;">Greenwood Cemetery Fund</p>	<p>ENTERPRISE FUNDS</p> <p style="padding-left: 20px;">Liquor Dispensary</p> <p style="padding-left: 20px;">Airport</p> <p style="padding-left: 20px;">Electric</p> <p style="padding-left: 20px;">Water</p> <p style="padding-left: 20px;">Wastewater</p> <p style="padding-left: 20px;">Sanitation</p> <p style="padding-left: 20px;">Storm Water</p> <p>INTERNAL SERVICE FUND</p> <p style="padding-left: 20px;">Inter-Dept. Distribution Fund</p>

CITY OF THIEF RIVER FALLS GOVERNMENTAL FUND REVENUE



CITY OF THIEF RIVER FALLS GOVERNMENTAL FUNDS EXPENDITURES

**2010 BUDGET
\$7,001,440**



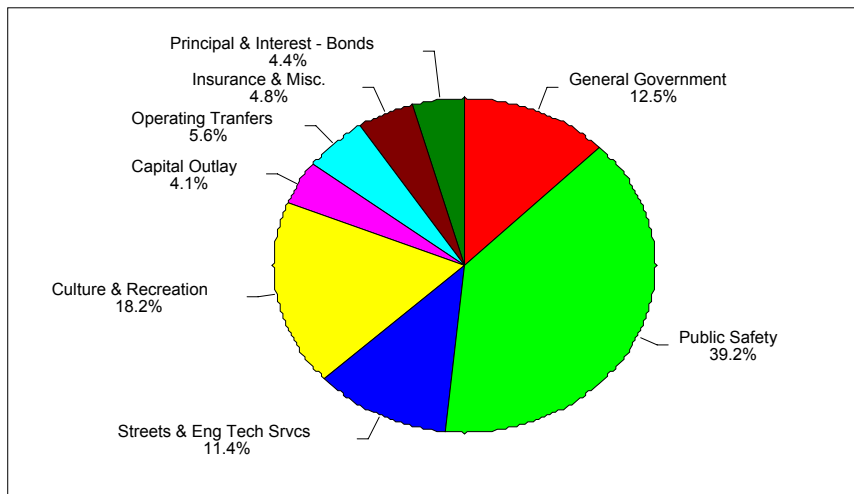
CITY OF THIEF RIVER FALLS BALANCE NEEDING FUNDING

2010 Budget			Balance Needing Funding
	Revenue	Expenditures	
General Government	\$449,138	\$1,063,454	\$614,316
Public Safety	\$330,250	\$2,259,286	\$1,929,036
Streets & Eng Tech Svcs	\$238,450	\$800,379	\$561,929
Culture & Recreation	\$770,342	\$1,664,664	\$894,352
Capital Outlay	\$0	\$200,200	\$200,200
Operating Transfer to Other Funds	\$0	\$273,485	\$273,485
Insurance & Miscellaneous	\$0	\$237,225	\$237,225
Principal & Interest – Bonds	\$287,940	\$502,747	\$214,807
Total	\$2,076,090	\$7,001,440	\$4,925,350

CITY OF THIEF RIVER FALLS SOURCES OF FUNDING

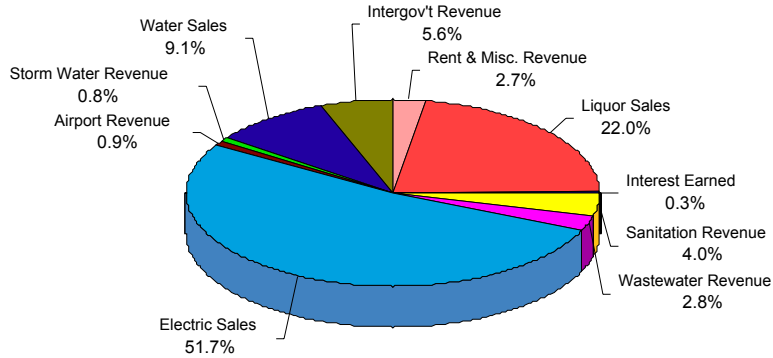
2010 Budget	Balance Needing Funding	LGA, Electric & Liquor Transfers and Misc. Income	Tax Levy
General Government	\$614,316	\$422,225	\$192,091
Public Safety	\$1,929,036	\$1,326,263	\$602,773
Streets & Eng Tech Svcs	\$561,929	\$386,333	\$175,596
Culture & Recreation	\$894,352	\$614,882	\$279,740
Capital Outlay	\$200,200	\$137,468	\$62,732
Operating Transfers to Other Funds	\$273,485	\$189,718	\$85,567
Insurance & Miscellaneous	\$237,225	\$163,201	\$74,024
Principal & Interest - Bonds	\$214,807	\$147,626	\$67,181
Total	\$4,925,350	\$3,385,916	\$1,539,434

CITY OF THIEF RIVER FALLS TAX LEVY SUPPORTED



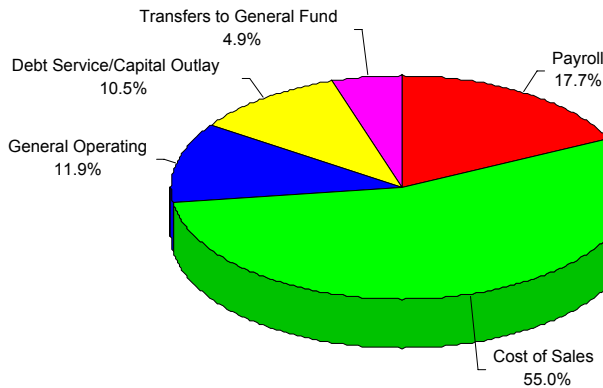
CITY OF THIEF RIVER FALLS ENTERPRISE FUND REVENUE

2010 BUDGET
\$18,781,617



CITY OF THIEF RIVER FALLS ENTERPRISE FUND EXPENSES

2010 BUDGET
\$19,237,215



City of Thief River Falls

COMPARATIVE DATA

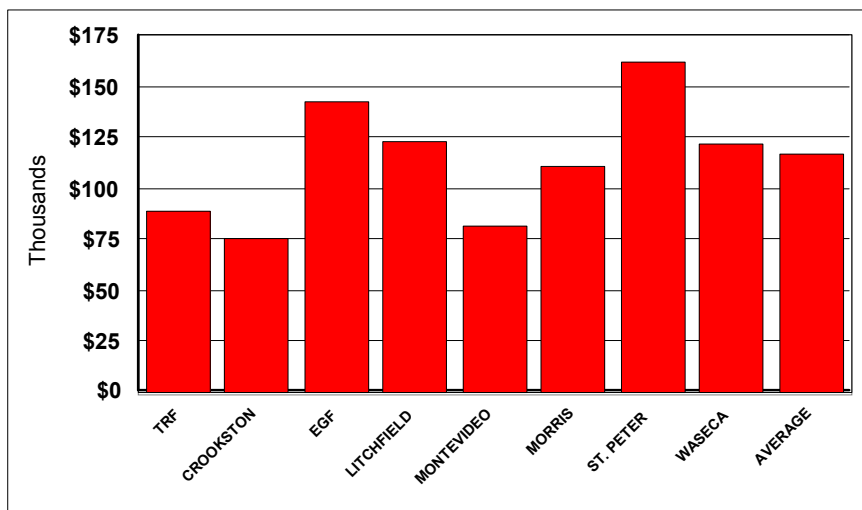
“ESTABLISHED CITIES” WITH POPULATION OVER 5,000

- The League of Minnesota Cities group cities in clusters based on four criteria variables:
 - 2000 Census population
 - Population growth between 1990 and 2000
 - Median household income in 1999
 - Per capita commercial/industrial property market value in 2002
- The City of Thief River Falls is considered an “Established City”

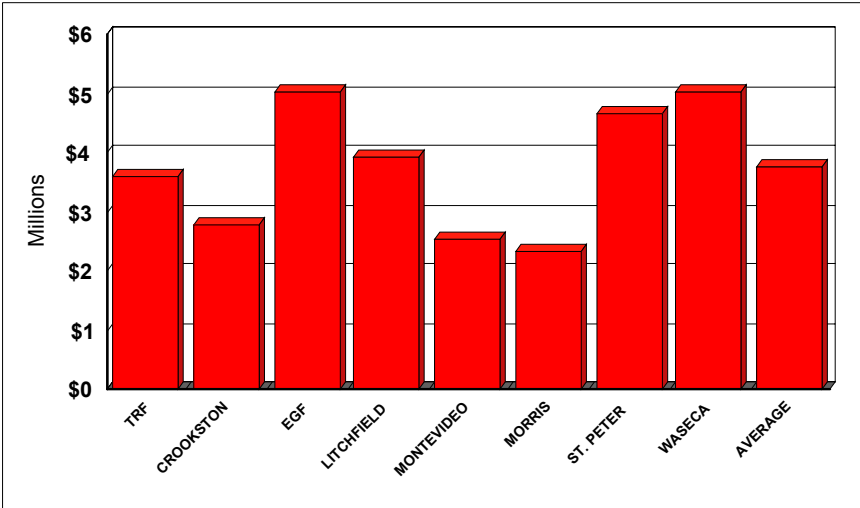
“ESTABLISHED CITIES” WITH POPULATION OVER 5,000

- There are 7 other “Established Cities” with populations over 5,000
 - Crookston
 - East Grand Forks
 - Litchfield
 - Montevideo
 - Morris
 - St. Peter
 - Waseca

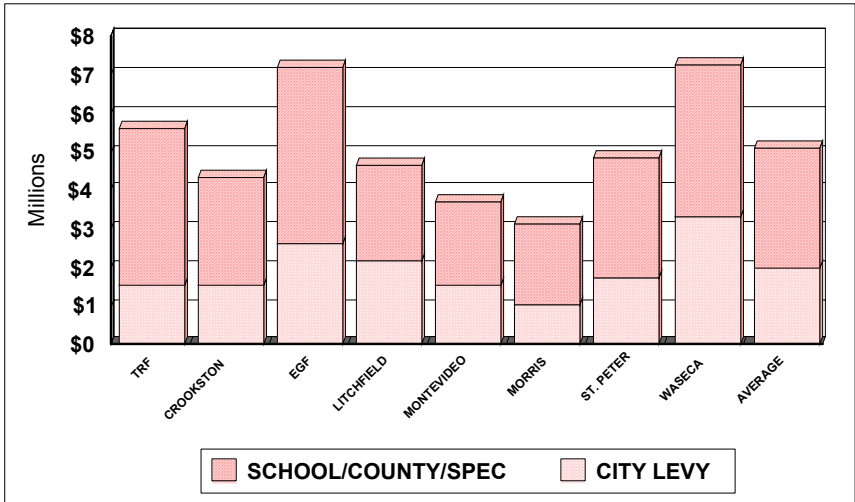
ESTABLISHED CITIES 2008 AVERAGE VALUE HOME



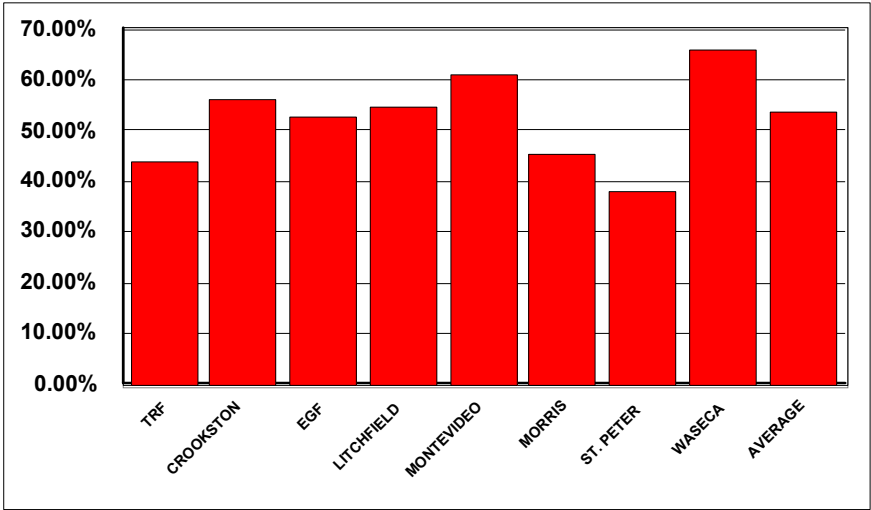
ESTABLISHED CITIES 2009 TAX CAPACITY



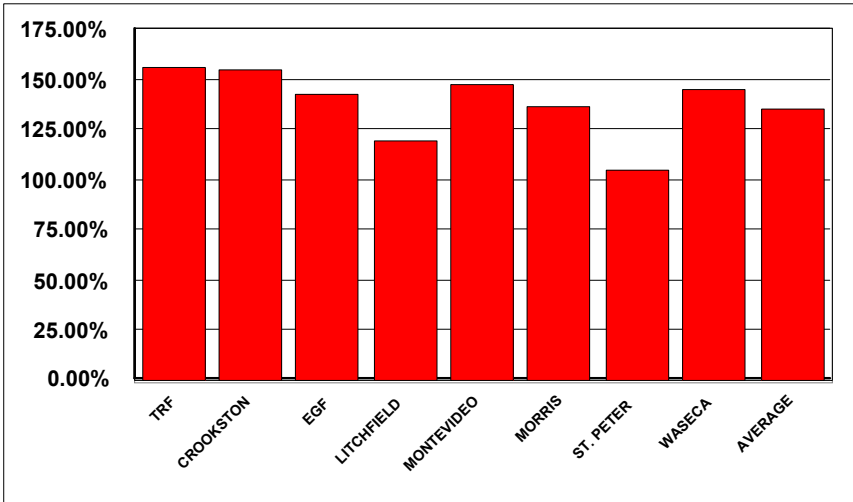
ESTABLISHED CITIES 2009 TOTAL LEVY



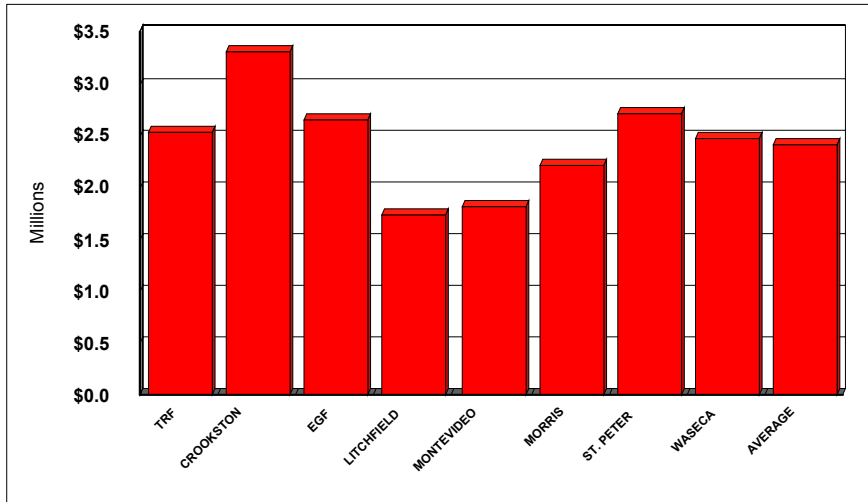
ESTABLISHED CITIES 2009 CITY TAX RATE



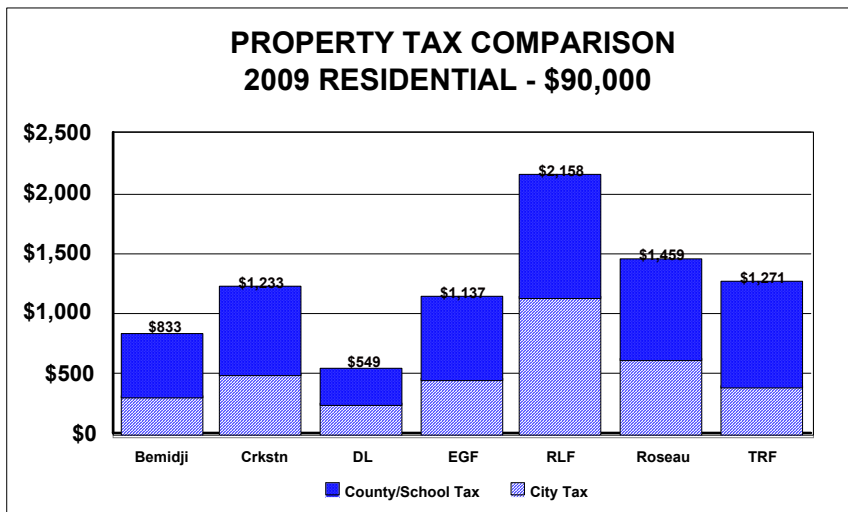
ESTABLISHED CITIES 2009 TOTAL TAX RATE



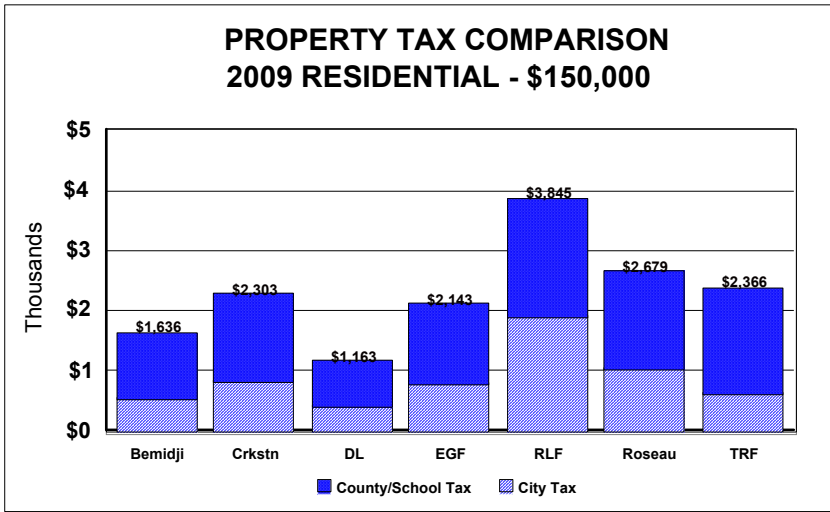
ESTABLISHED CITIES 2009 ACTUAL LGA



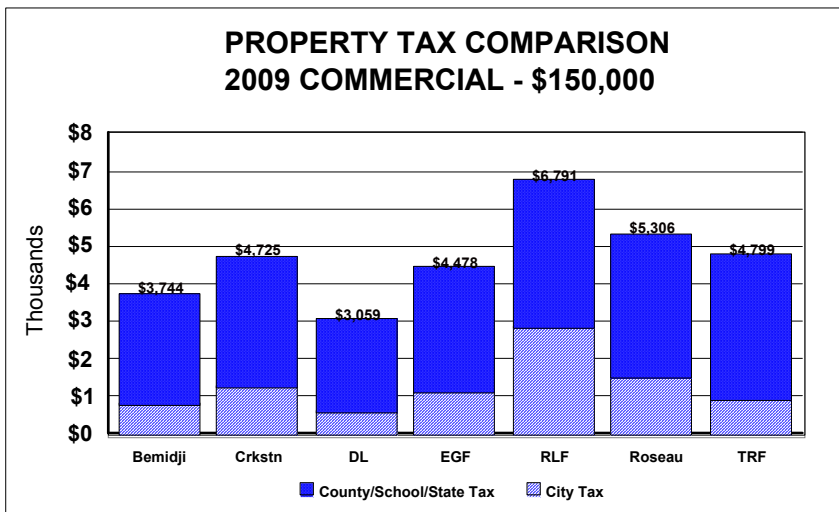
AREA CITIES PROPERTY TAX COMPARISON



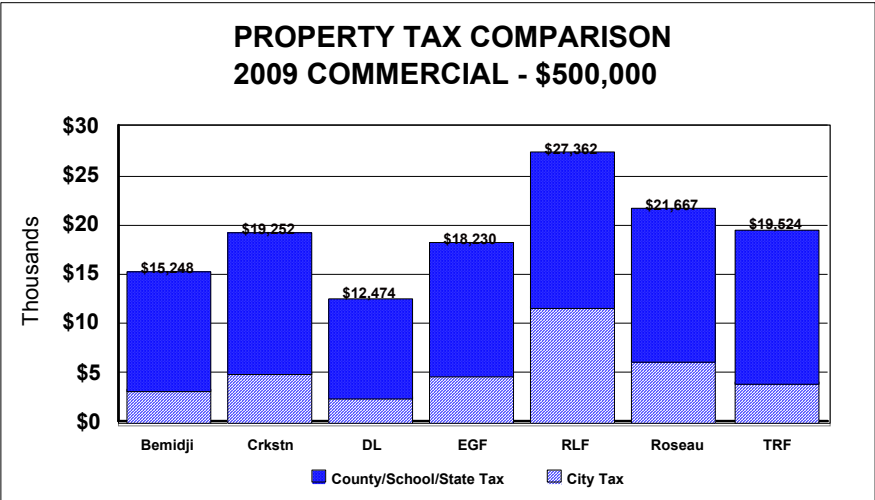
AREA CITIES PROPERTY TAX COMPARISON



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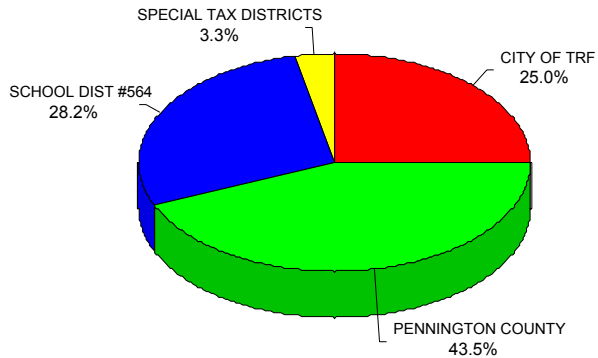


City of Thief River Falls

CONCLUSION

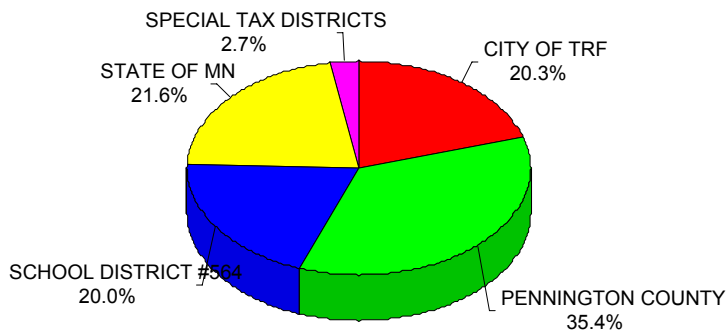
CITY OF THIEF RIVER FALLS WHERE YOUR TAX DOLLAR GOES

WHERE YOUR TAX DOLLARS GO HOME OWNER 2010



CITY OF THIEF RIVER FALLS WHERE YOUR TAX DOLLARS GO

WHERE YOUR TAX DOLLARS GO BUSINESS OWNER 2010



CITY OF THIEF RIVER FALLS INVOICE FOR SERVICES

The following is an example of a sample invoice for governmental services if the City of Thief River Falls did not have the property tax statement to collect taxes and needed to send a monthly statement for the "City share" of the tax bill.

The City's average residential homestead has a market value of \$88,430.

The "City share" of the tax bill would be \$389, or \$32.42 per month.

CITY OF THIEF RIVER FALLS MONTHLY STATEMENT

<i>TO: Average Residential Homeowner with Market Value of \$88,430</i>	
Description	Amount
GENERAL GOVERNMENT (City Council, Elections, Administrative Services, Government Buildings, Community Development, and Legal)	\$4.05
PUBLIC SAFETY (Police and Fire Protection, Street Lighting)	\$12.71
STREET DEPT/ENG TECHNICAL SERVICES (Maintenance and Snow Removal)	\$3.70
CULTURE AND RECREATION (Arenas, Parks and Recreation programs, Regional Library support, and Branch Library building maintenance)	\$5.90
CAPITAL OUTLAY/DEBT SERVICE (Bond Payments, City Hall lease payment, Equipment, Building Improvements, etc.)	\$2.72
MISC. OTHER EXPENDITURES (Liability & Workers' Comp, Airport Subsidy, and Jobs, Inc. support)	\$3.34
PLEASE PAY	\$32.42

CITY OF THIEF RIVER FALLS SUMMARY

There was a:

- 3.3% decrease in the 2010 General Fund budget
- Local government aid decrease of 4.9% and continued uncertainty for 2010

But we also had:

- Continued growth in tax base of 1.6%
- City-wide capital expenditures of \$1,738,200

We were able to:

- Maintain the levy at the 2009 level

CITY OF THIEF RIVER FALLS

QUESTIONS?