



City of Thief River Falls

2013 PROPERTY TAX AND BUDGET INFORMATION

City of Thief River Falls

PROPERTY TAXES

Why Property Taxes Vary from Year to Year

- Changes in valuation of your property
- Spending decisions of cities, counties, school districts, and special taxing districts
- Special assessments may be added to your property tax bill
- Voters approve a referendum

Why Property Taxes Vary from Year to Year

- State Legislature may change class rates altering portion of tax base paid by different types of properties
- State General Property Tax may change
- Federal and State mandates may change
- Other State Law changes may adjust 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

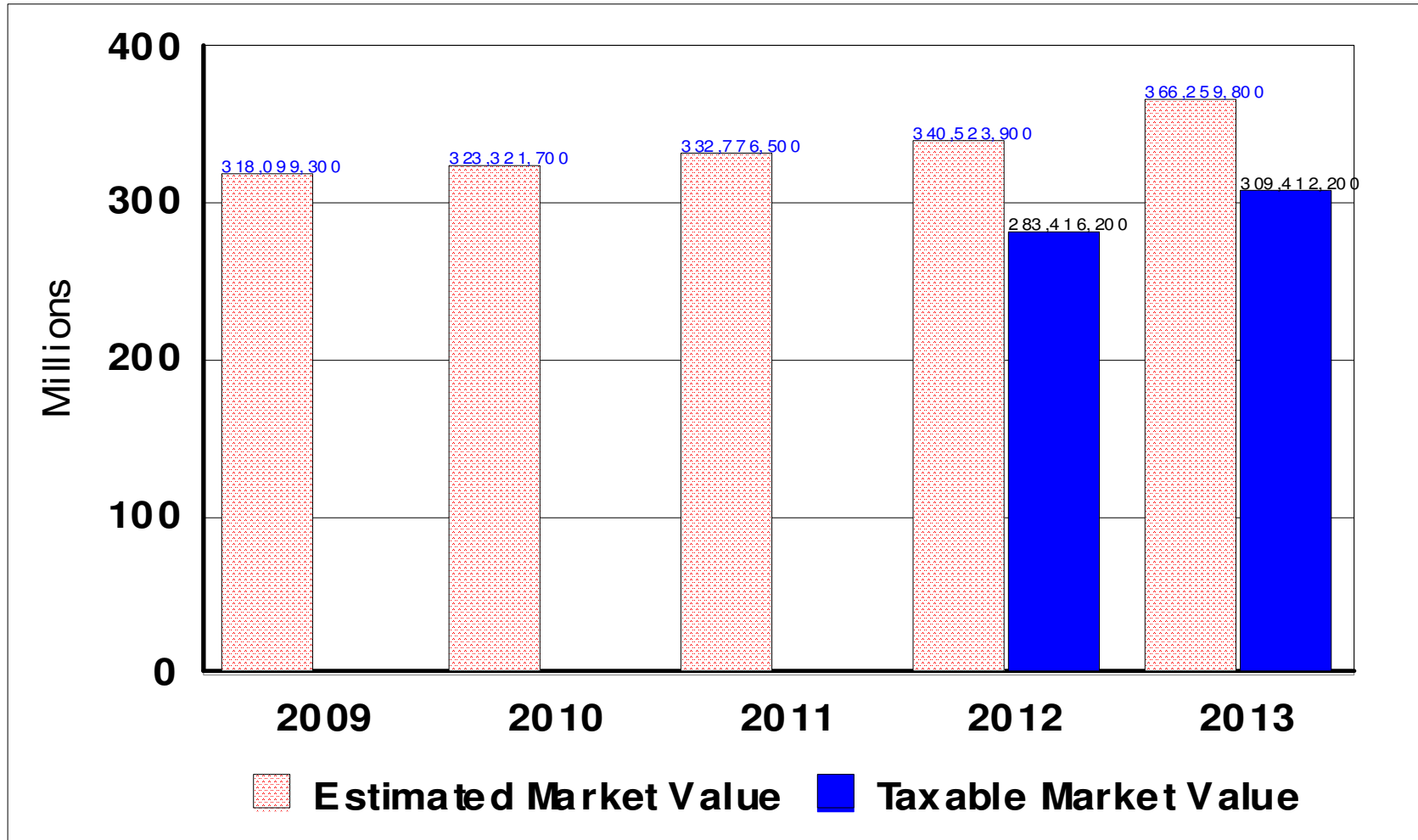
PROPERTY TAX LEVY: The City certifies in dollars an amount necessary to raise adequate revenue for the operating budget when combined with other expected revenues.

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.

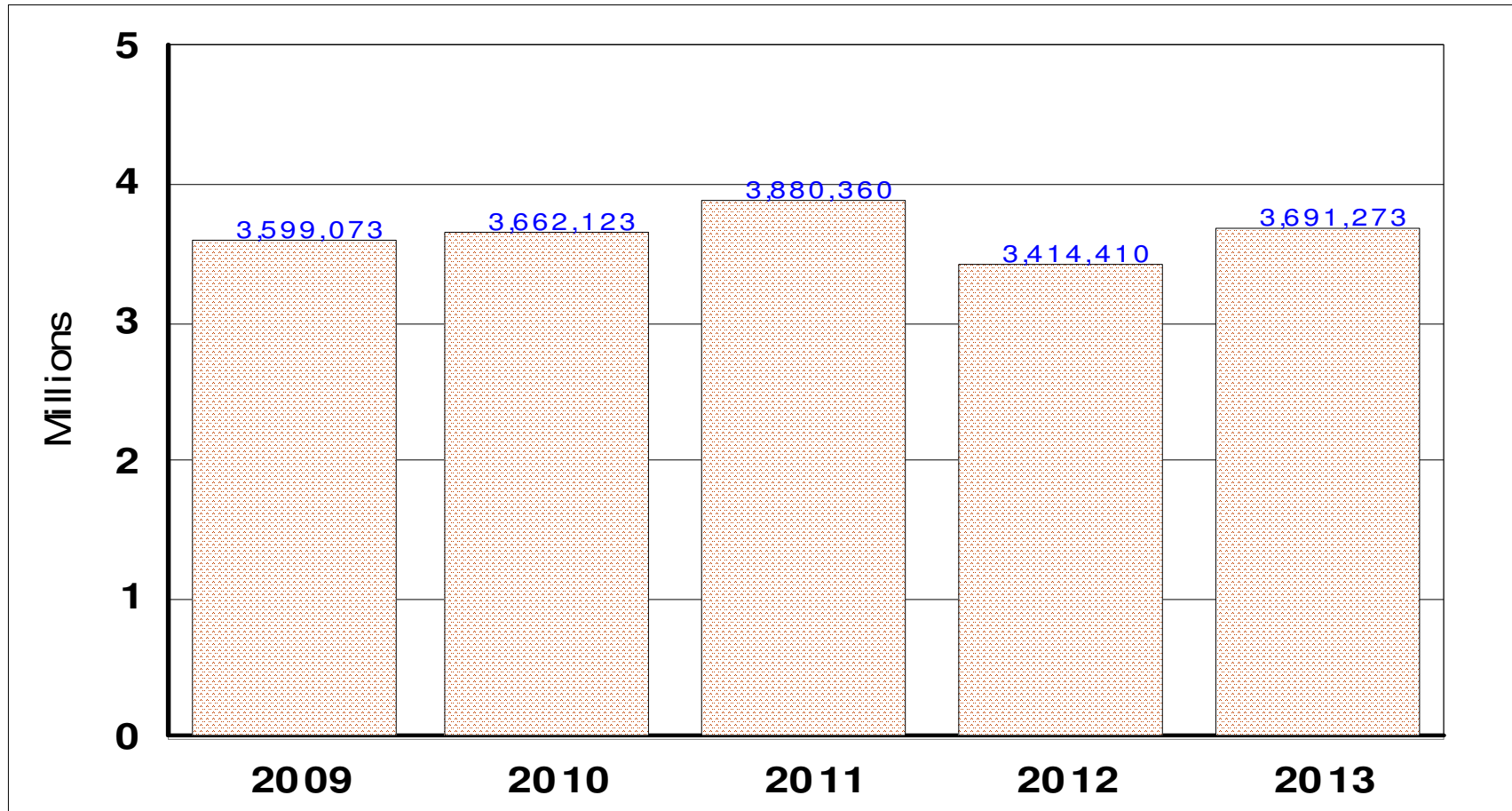
CITY OF THIEF RIVER FALLS MARKET VALUE



STATE OF MINNESOTA PROPERTY CLASS RATES

<u>Property Description</u>	<u>Class Rate Payable 2013</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

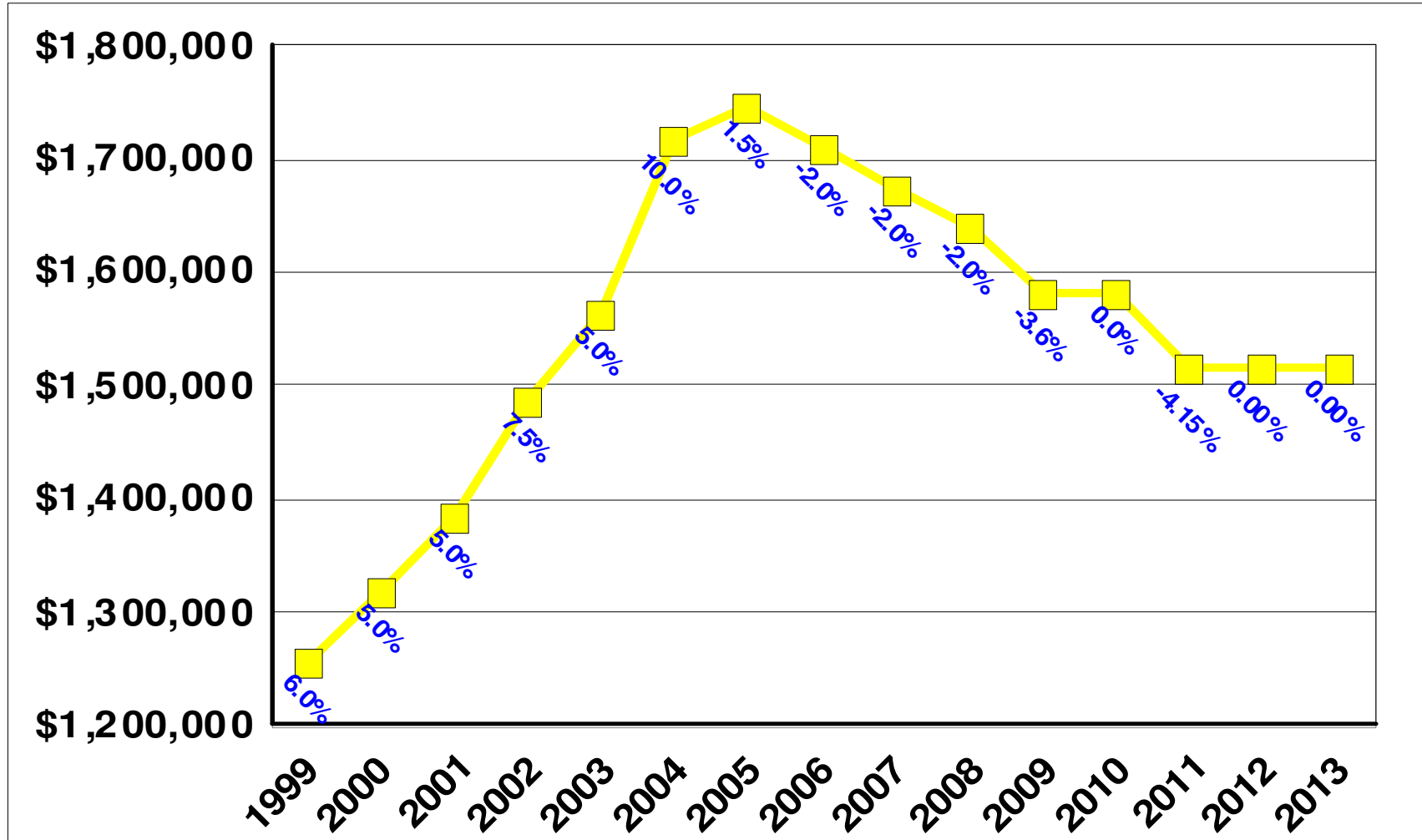


CITY OF THIEF RIVER FALLS

2009-2013 PROPERTY TAX LEVY

	2009	2010	2011	2012	2013
	Levy	Levy	Levy	Levy	Levy
General Fund Levy	\$ 1,482,406	\$ 1,482,406	\$ 1,416,778	\$ 1,416,778	\$ 1,416,778
Bonded Debt Levy	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
NET TAX LEVY - LOCAL	\$ 1,582,406	\$ 1,582,406	\$ 1,516,778	\$ 1,516,778	\$ 1,516,778
 Percent Increase/Decrease -Local Levy	 -3.6%	 0.0%	 -4.15%	 0.0%	 0.0%

CITY OF THIEF RIVER FALLS PROPERTY TAX LEVY HISTORY

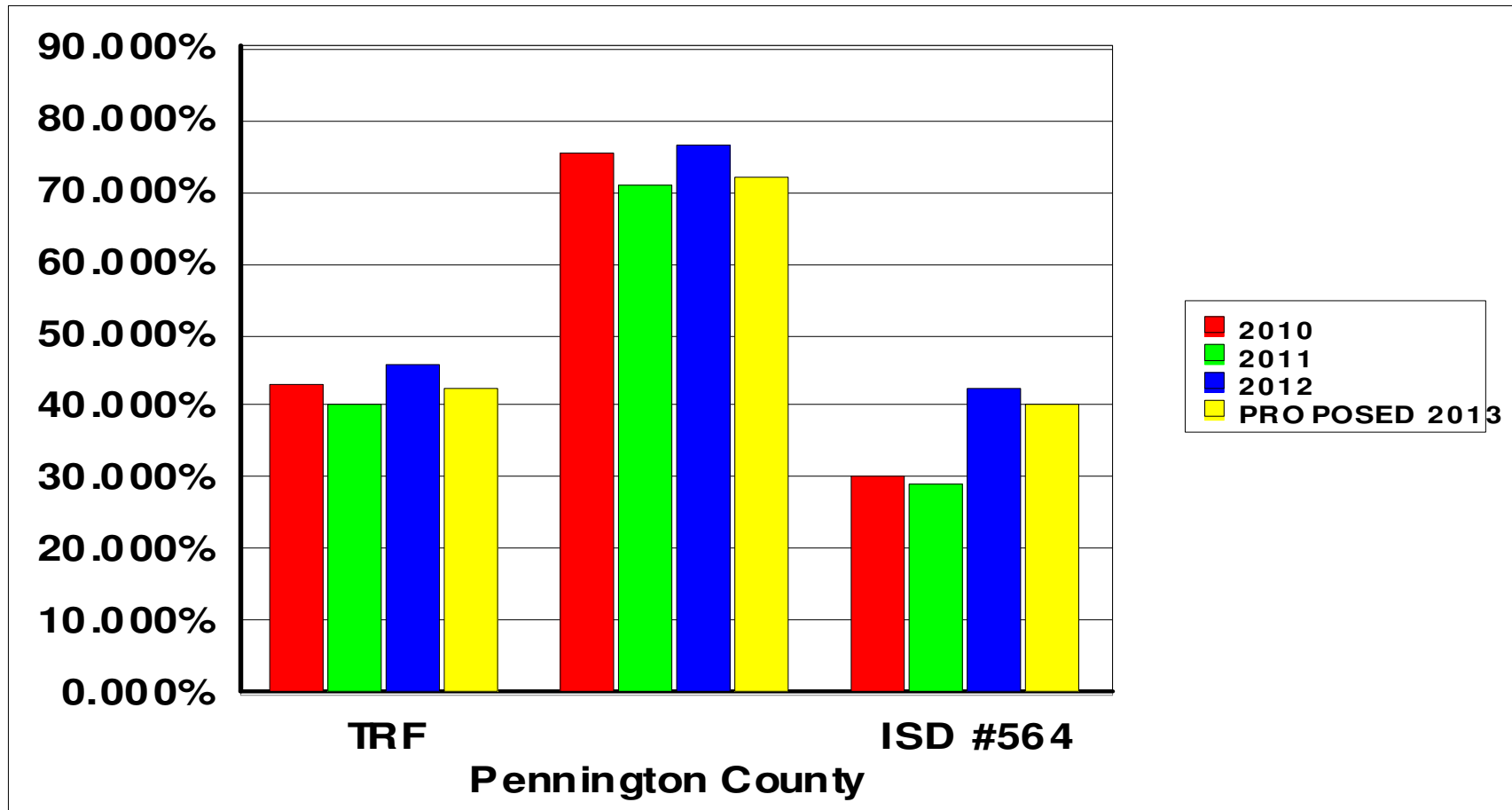


CITY OF THIEF RIVER FALLS LOCAL TAX RATE

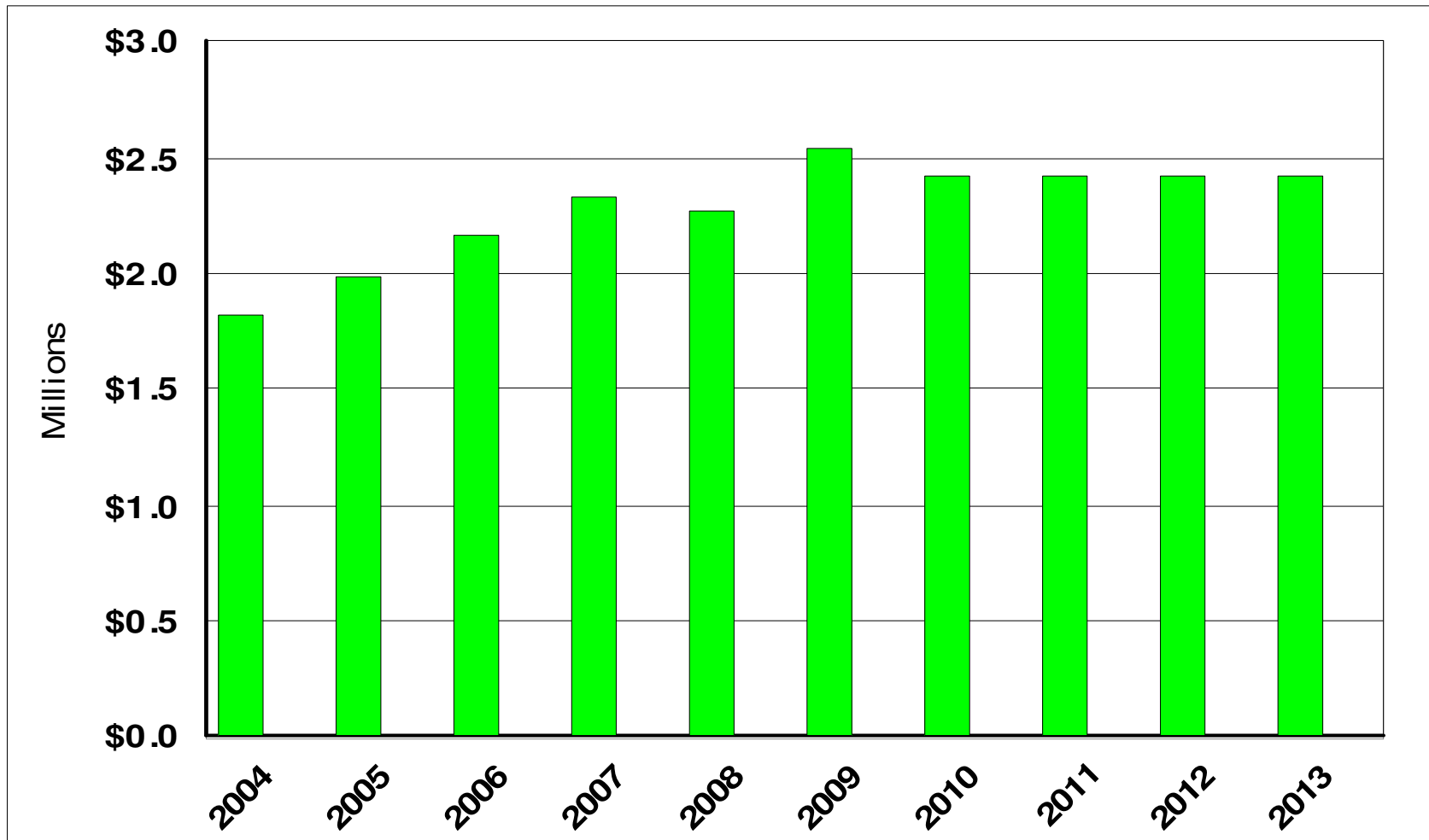
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Proposed</u> <u>2013</u>
TRF	43.210%	40.478%	46.041%	42.668%
Pennington County	75.194%	70.787%	76.407%	71.708%
ISD #564	30.047%	29.385%	42.569%	40.081%
Special Tax Districts*	5.715%	5.786%	6.630%	5.988%
Total	154.166%	146.436%	171.647%	160.445%

*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

2013

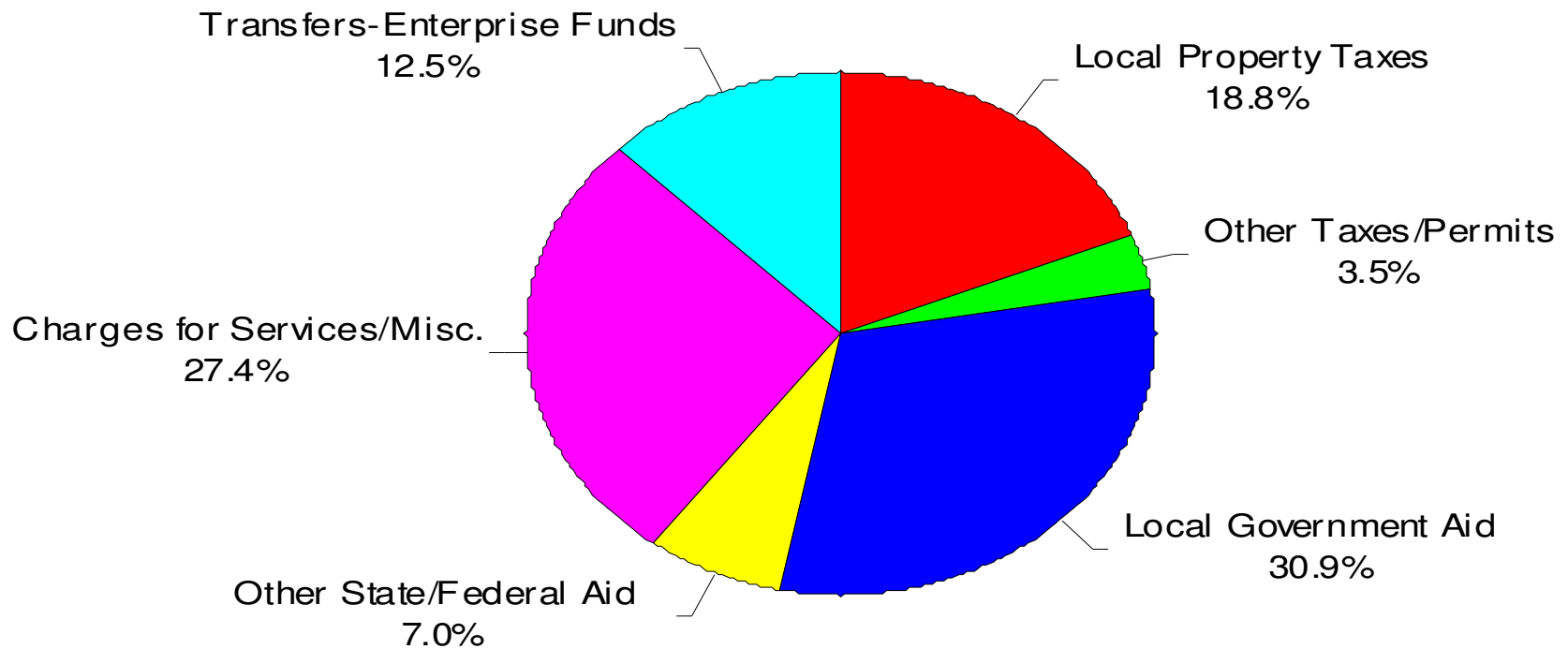
BUDGETS

CITY OF THIEF RIVER FALLS MUNICIPAL CORPORATION

GOVERNMENTAL FUNDS	PROPRIETARY FUNDS
<p>GENERAL FUND</p> <p>DEBT SERVICE FUNDS</p> <p>SPECIAL REVENUE FUNDS</p> <p style="padding-left: 20px;">CDAB Revolving Fund</p> <p style="padding-left: 20px;">Tax Increment Financing Districts</p> <p style="padding-left: 20px;">Greenwood Cemetery Fund</p> <p>CAPITAL PROJECT FUNDS</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;">Carnegie Library Restoration Fund</p> <p style="padding-left: 20px;">Revolving Capital Outlay Fund</p>	<p>ENTERPRISE FUNDS</p> <p style="padding-left: 20px;">Liquor Dispensary</p> <p style="padding-left: 20px;">Electric</p> <p style="padding-left: 20px;">Water Systems</p> <p style="padding-left: 20px;">Storm Water</p> <p>INTERNAL SERVICE FUND</p> <p style="padding-left: 20px;">Inter-Dept Distribution Fund</p>

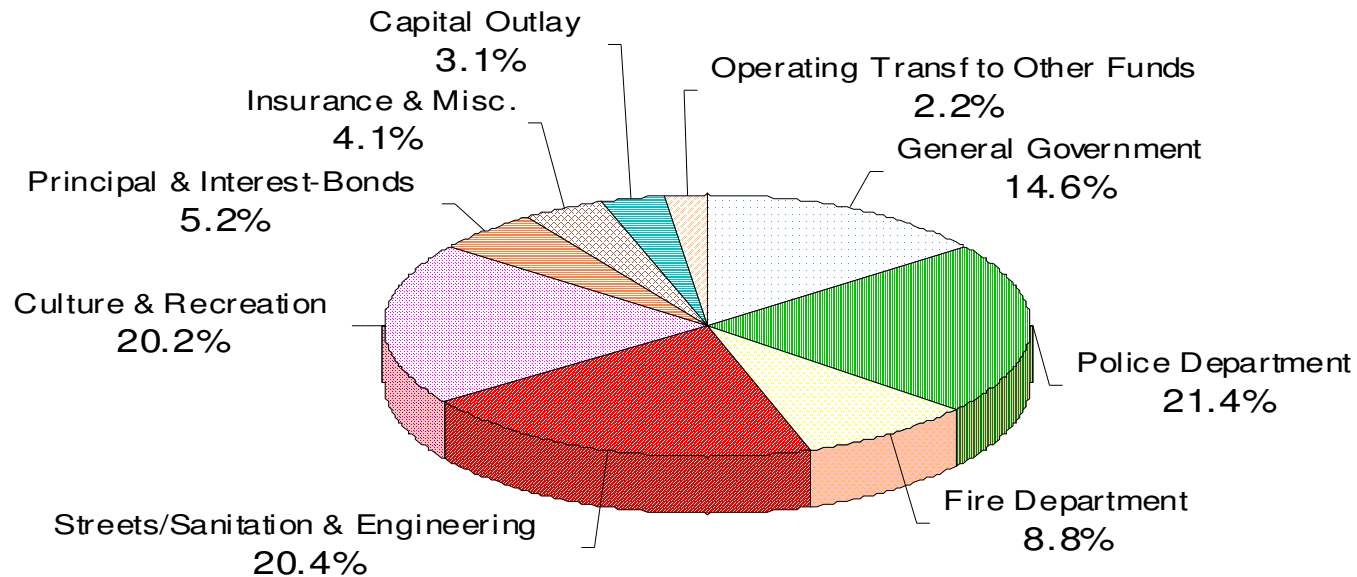
CITY OF THIEF RIVER FALLS GOVERNMENTAL FUND REVENUE

2013 BUDGET
\$7,828,931



CITY OF THIEF RIVER FALLS GOVERNMENTAL FUNDS EXPENDITURES

2013 BUDGET
\$7,870,137



CITY OF THIEF RIVER FALLS BALANCE NEEDING FUNDING

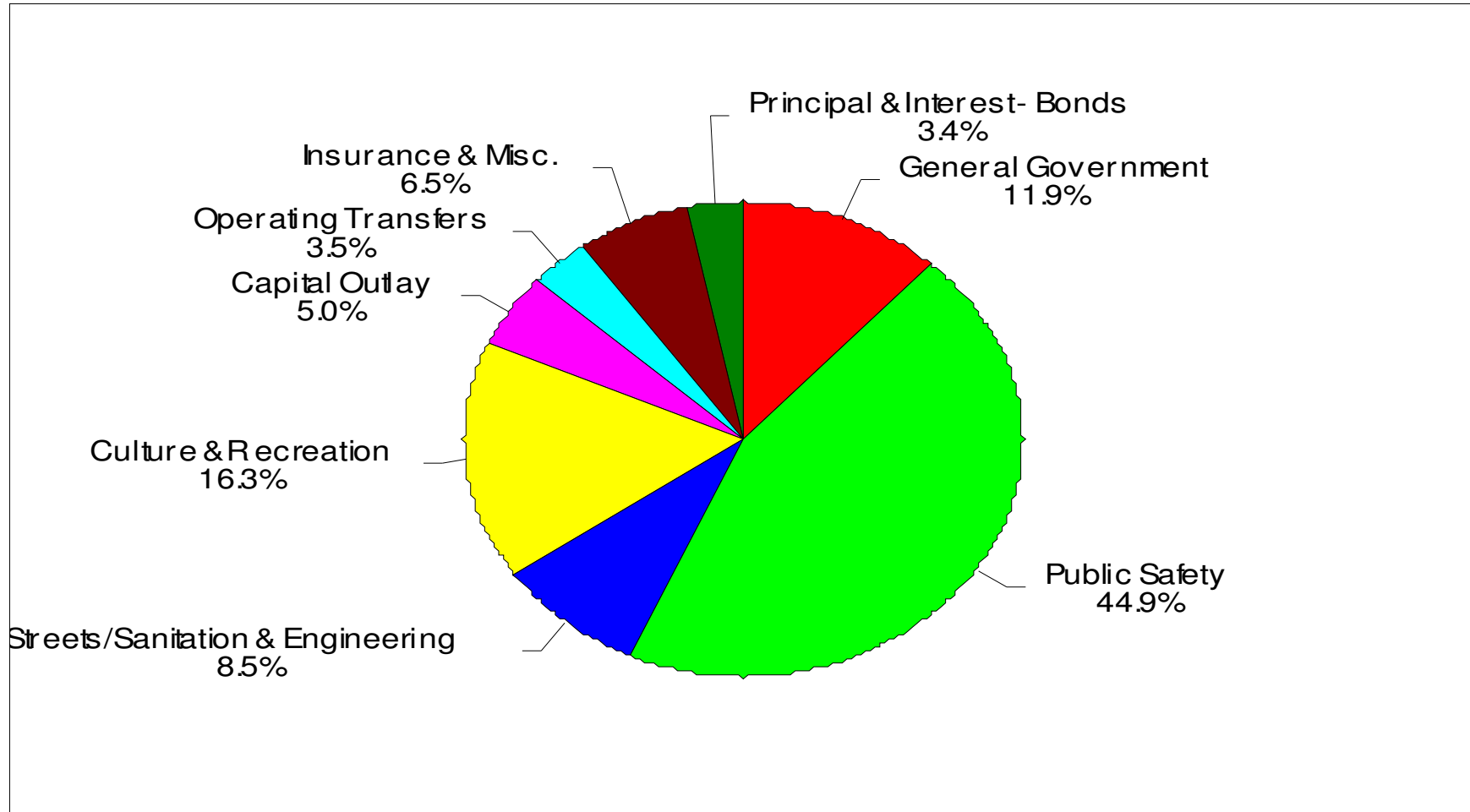
2013 Budget	Revenue	Expenditures	Balance Needing Funding
General Government	\$564,444	\$1,148,838	\$584,394
Public Safety	\$317,600	\$2,525,077	\$2,207,477
Streets/Sanitation & Eng Tech Srvcs	\$1,035,700	\$1,455,540	\$419,840
Culture & Recreation	\$787,384	\$1,591,550	\$804,166
Capital Outlay	\$0	\$247,200	\$247,200
Operating Transfer to Other Funds	\$0	\$171,117	\$171,117
Insurance & Miscellaneous	\$0	\$319,380	\$319,380
Principal & Interest – Bonds	\$246,300	\$411,435	\$165,135
Total	\$2,951,428	\$7,870,137	\$4,918,709

CITY OF THIEF RIVER FALLS

SOURCES OF FUNDING

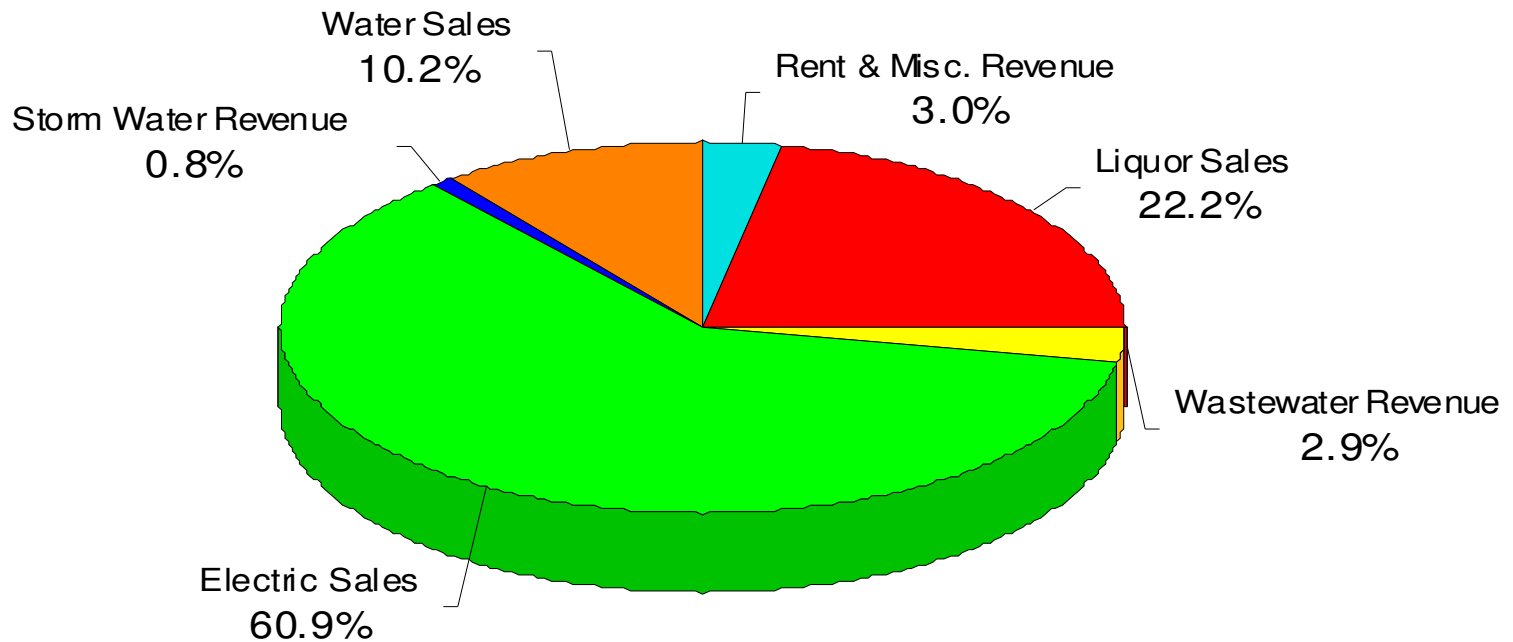
2013 Budget	Balance Needing Funding	LGA, Electric & Liquor Transfers and Misc. Income	Tax Levy
General Government	\$584,394	\$409,555	\$174,839
Public Safety	\$2,207,477	\$1,547,208	\$660,269
Streets/Sanitation & Eng Tech Srvcs	\$419,840	\$294,411	\$125,429
Culture & Recreation	\$804,166	\$563,655	\$240,511
Capital Outlay	\$247,200	\$173,062	\$74,138
Operating Transfers to Other Funds	\$171,117	\$119,971	\$51,146
Insurance & Miscellaneous	\$319,380	\$223,738	\$95,642
Principal & Interest - Bonds	\$165,135	\$115,834	\$49,301
Total	\$4,918,709	\$3,447,434	\$1,471,275

CITY OF THIEF RIVER FALLS TAX LEVY SUPPORTED



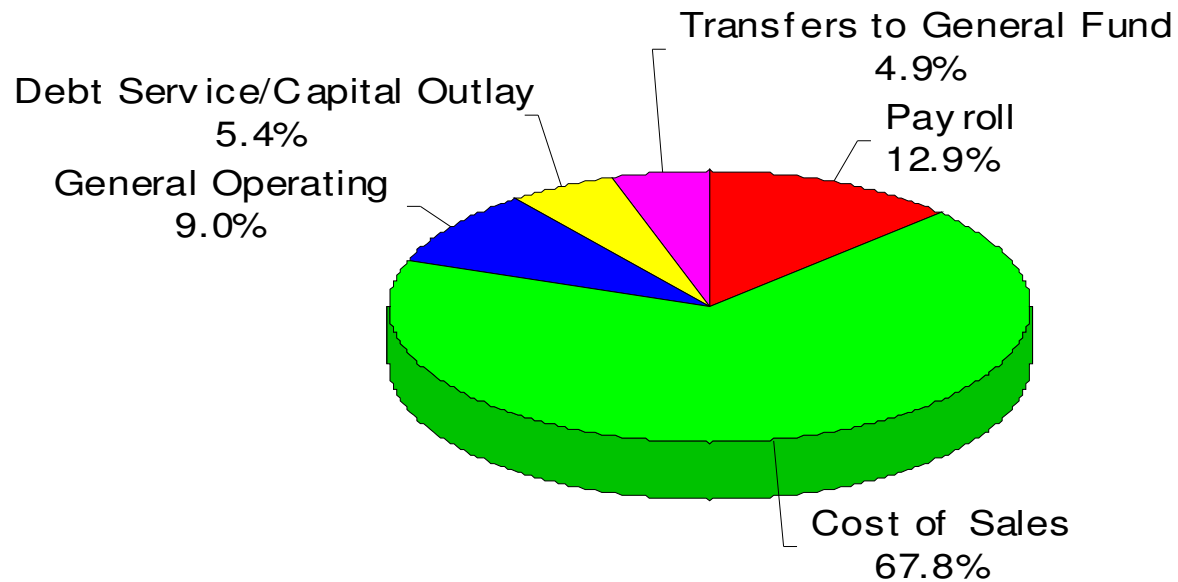
CITY OF THIEF RIVER FALLS ENTERPRISE FUND REVENUE

2013 BUDGET
\$20,082,213



CITY OF THIEF RIVER FALLS ENTERPRISE FUND EXPENSES

2013 BUDGET
\$19,988,241



City of Thief River Falls

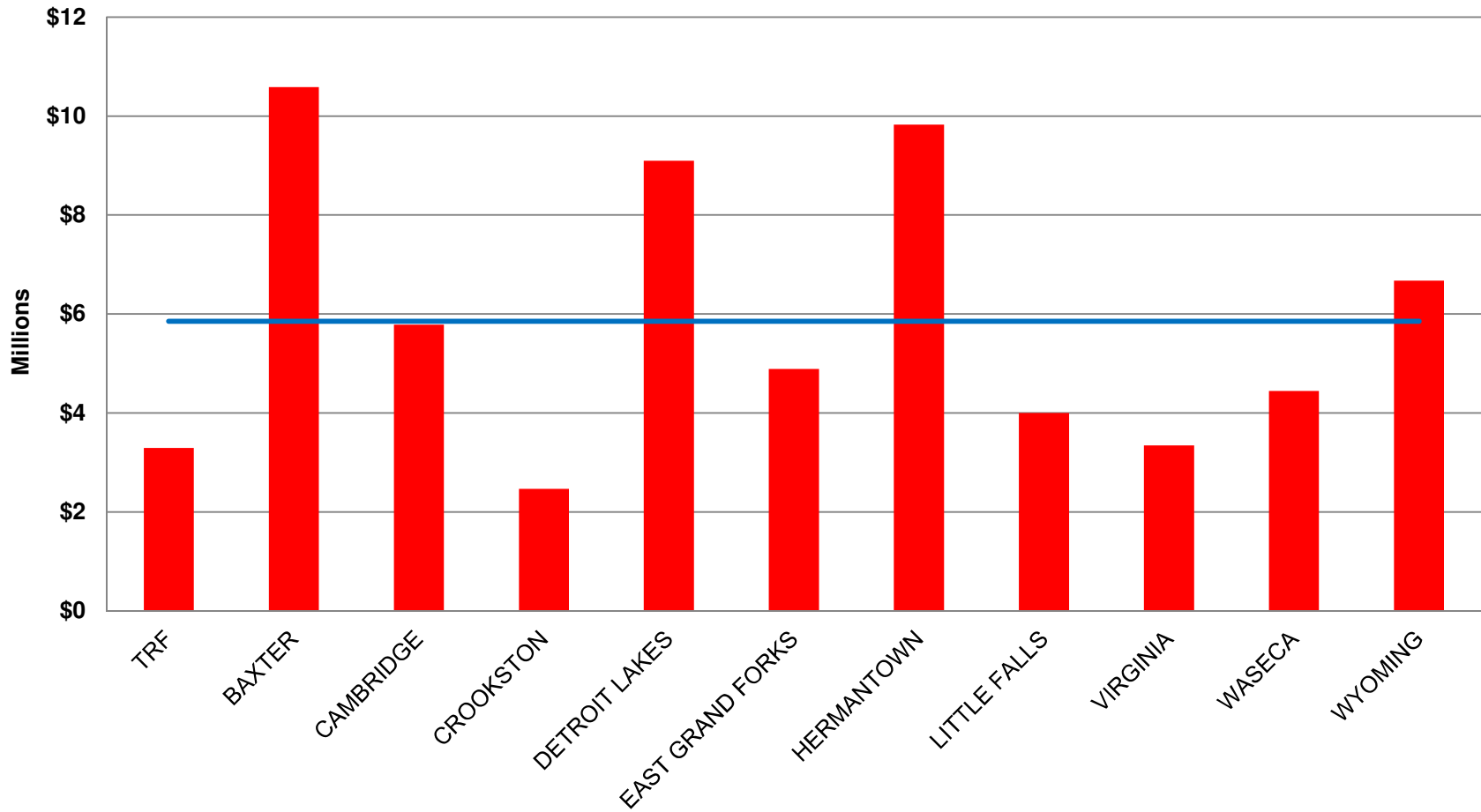
COMPARATIVE DATA

NON-METRO CITIES WITH POPULATIONS BETWEEN 7,500-10,000

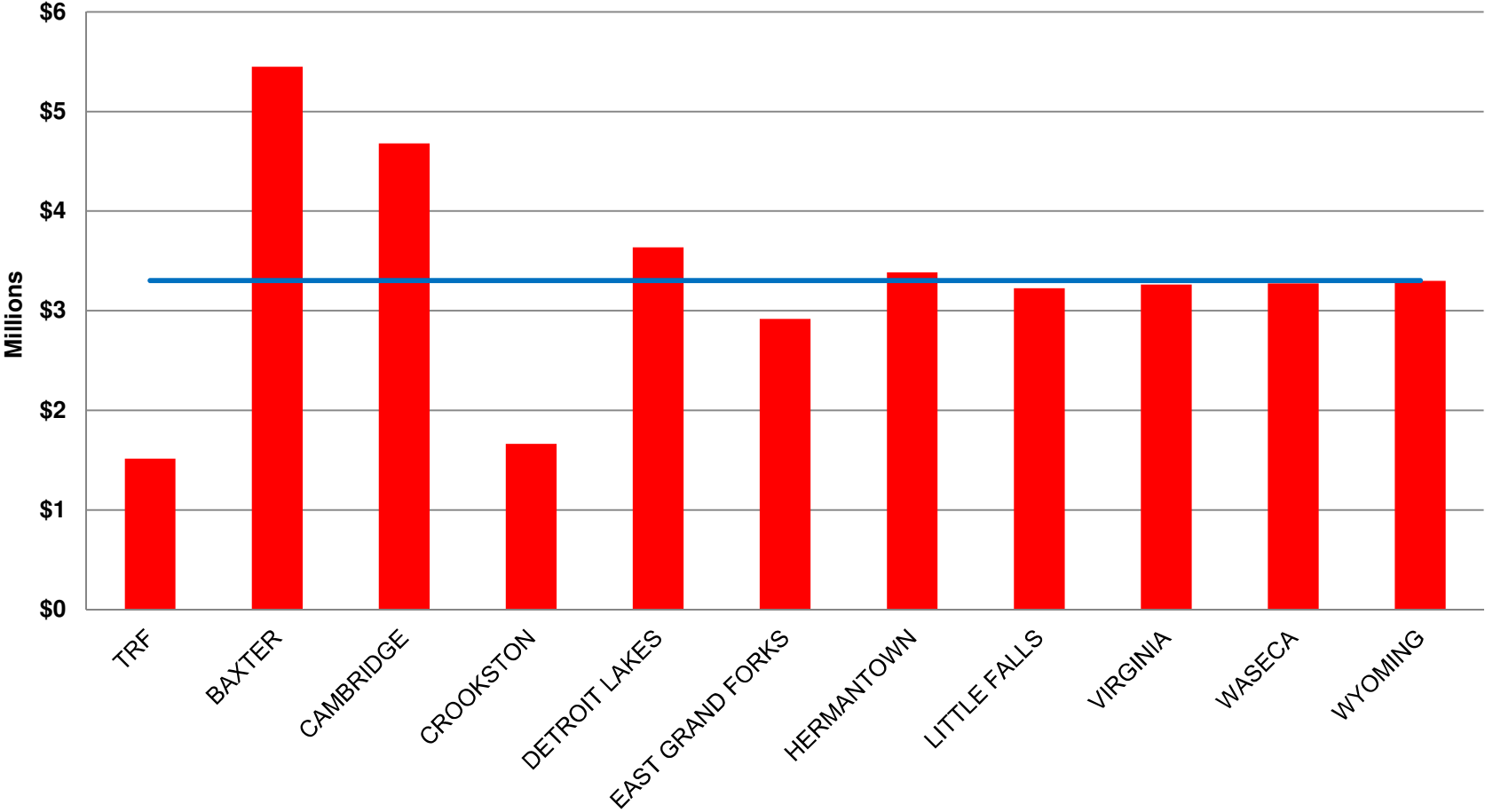
- 11 Cities including Thief River Falls
 - Baxter
 - Cambridge
 - Crookston
 - Detroit Lakes
 - East Grand Forks
 - Hermantown
 - Little Falls
 - Virginia
 - Waseca
 - Wyoming

Comparative data from League of Minnesota Cities and Minnesota State Auditor.

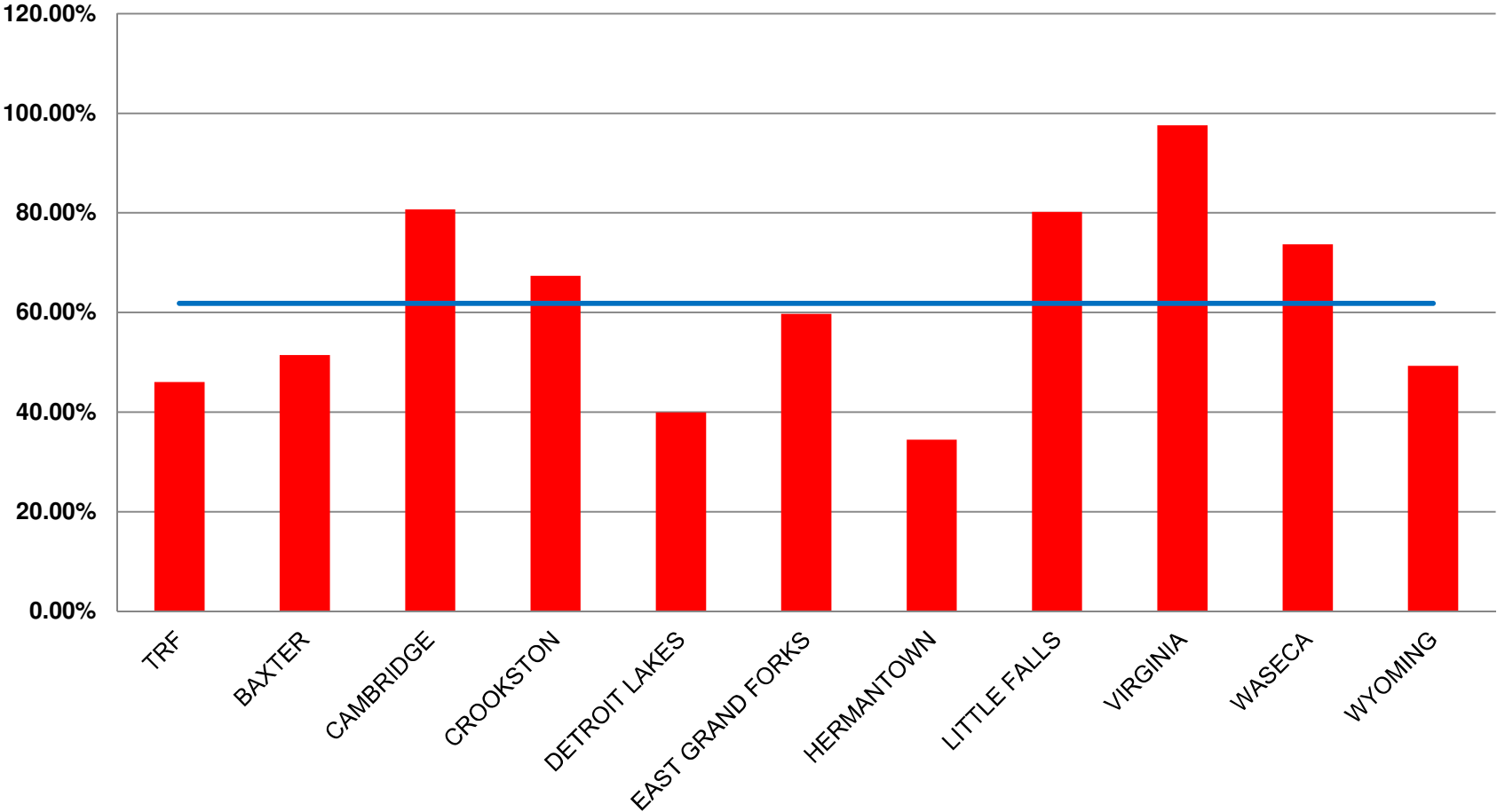
2012 TAX CAPACITY



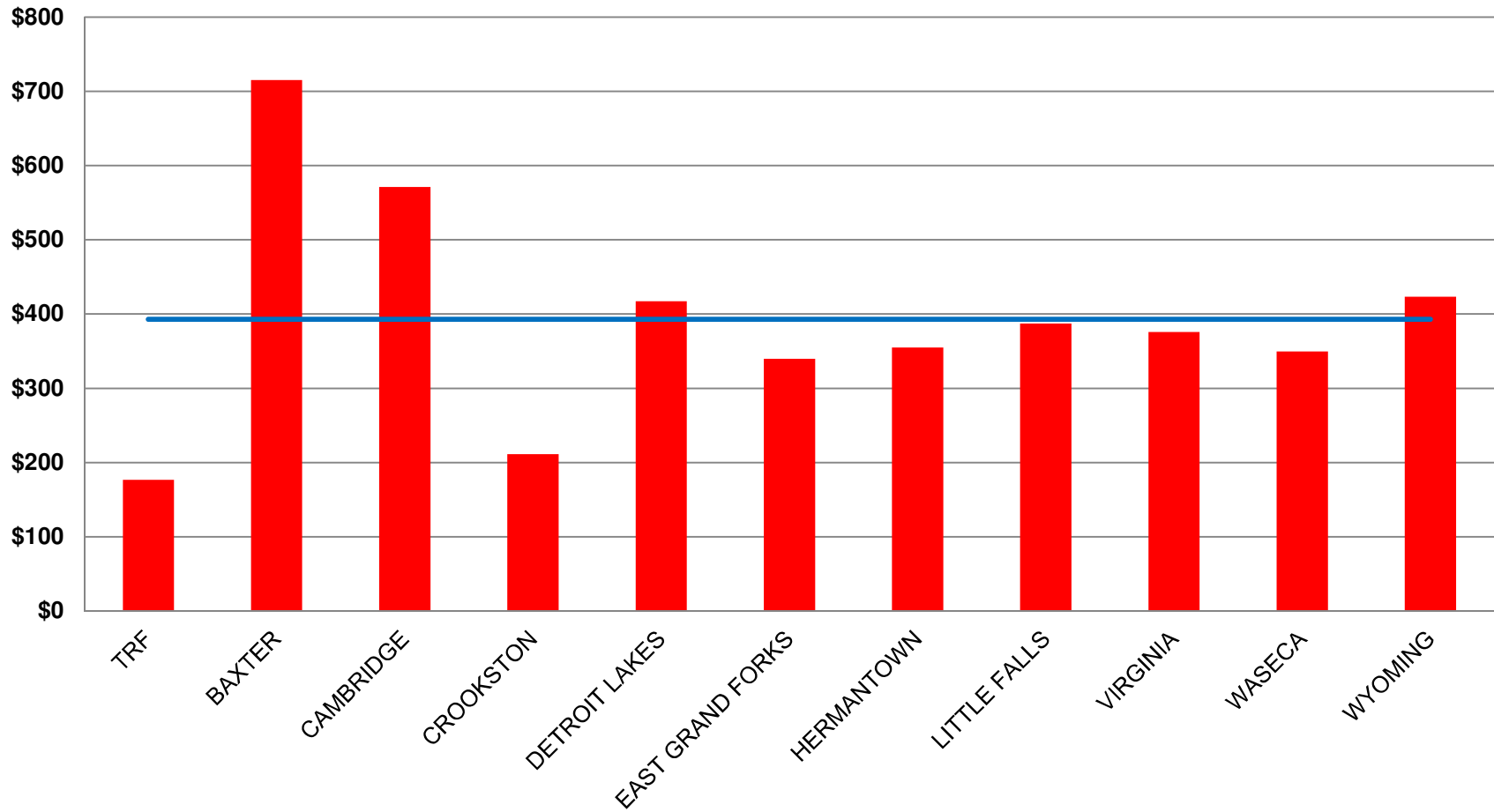
2012 CITY LEVY



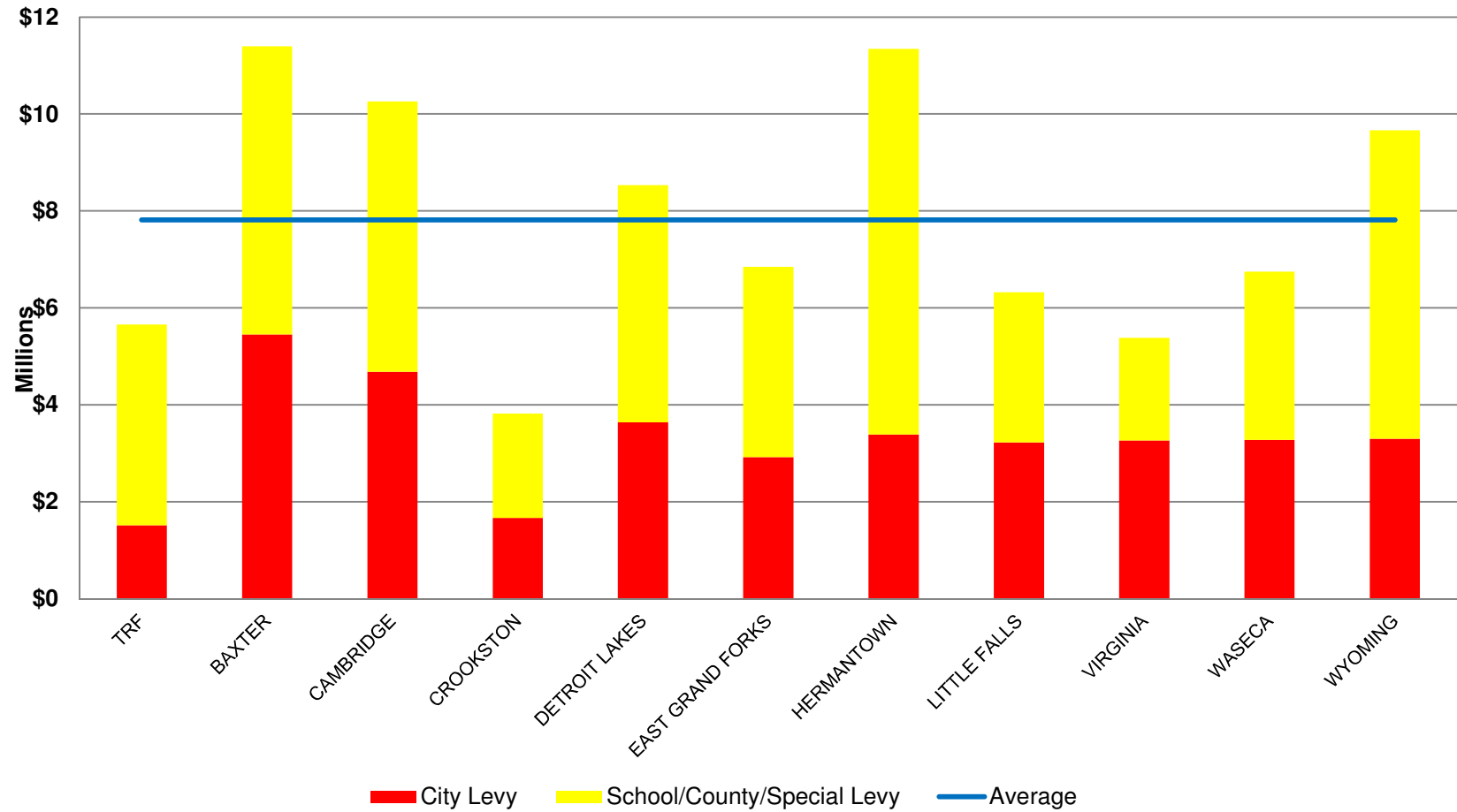
2012 CITY TAX RATE



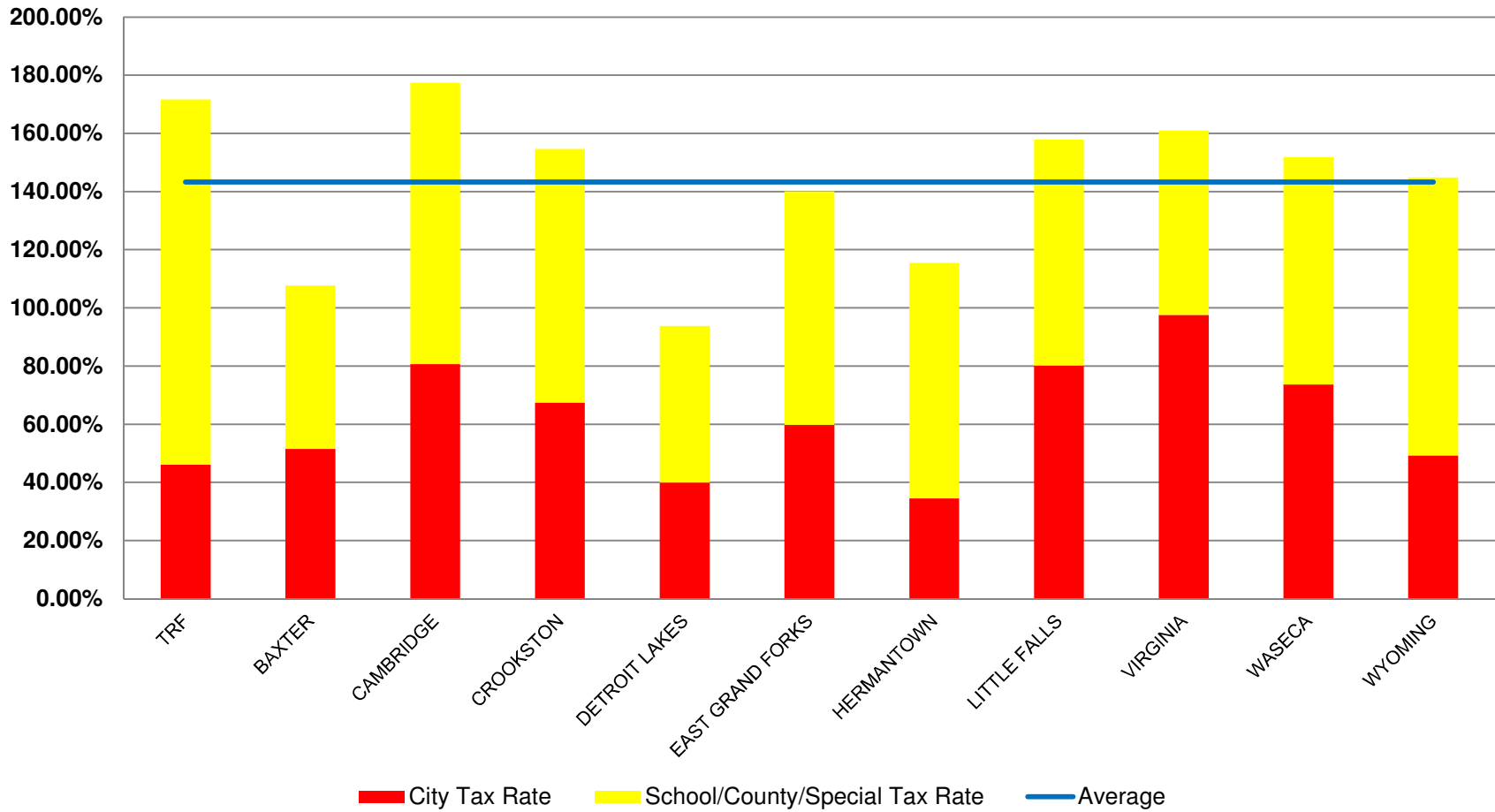
2012 CITY LEVY PER CAPITA



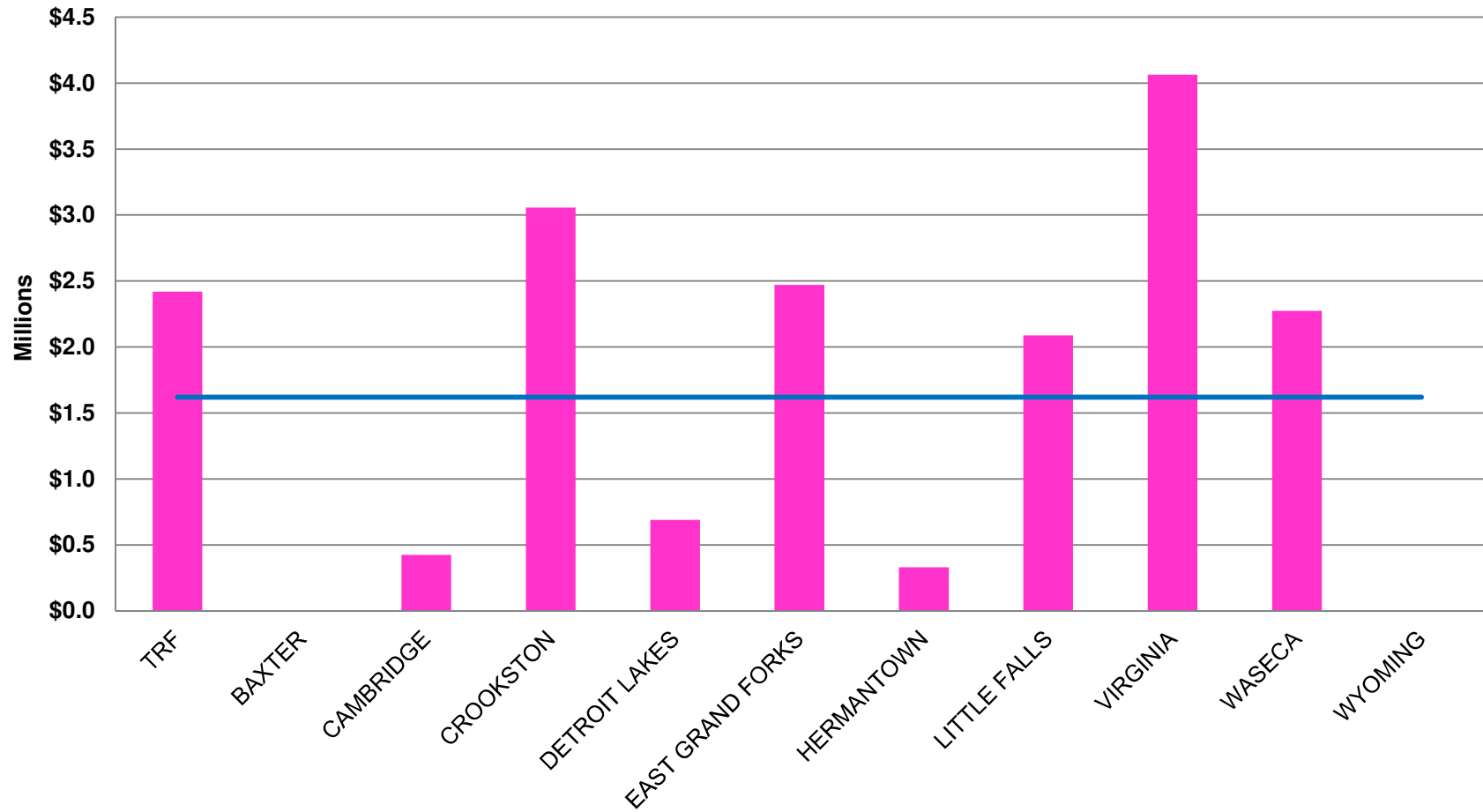
2012 TOTAL LEVY



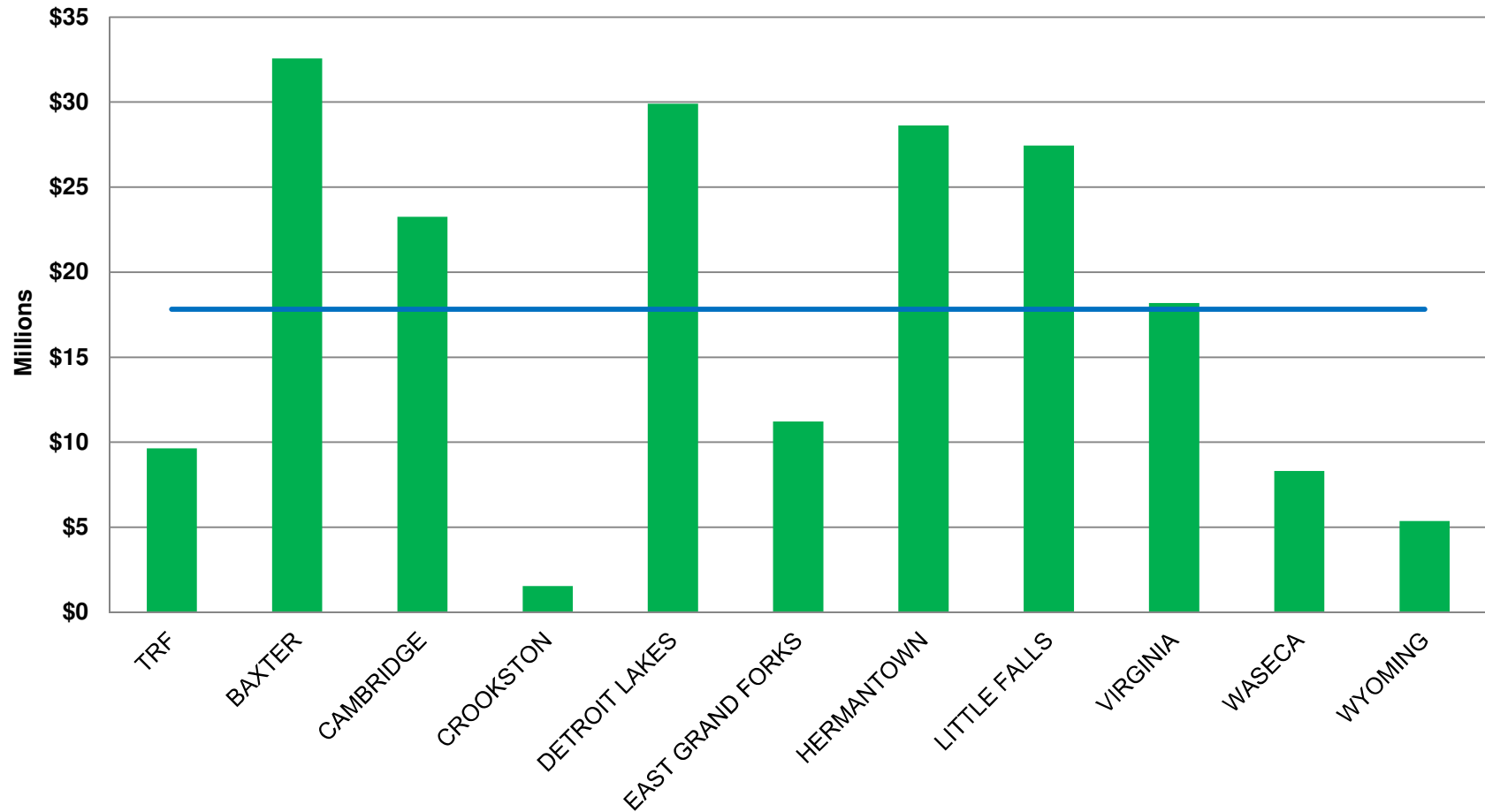
2012 TOTAL TAX RATE



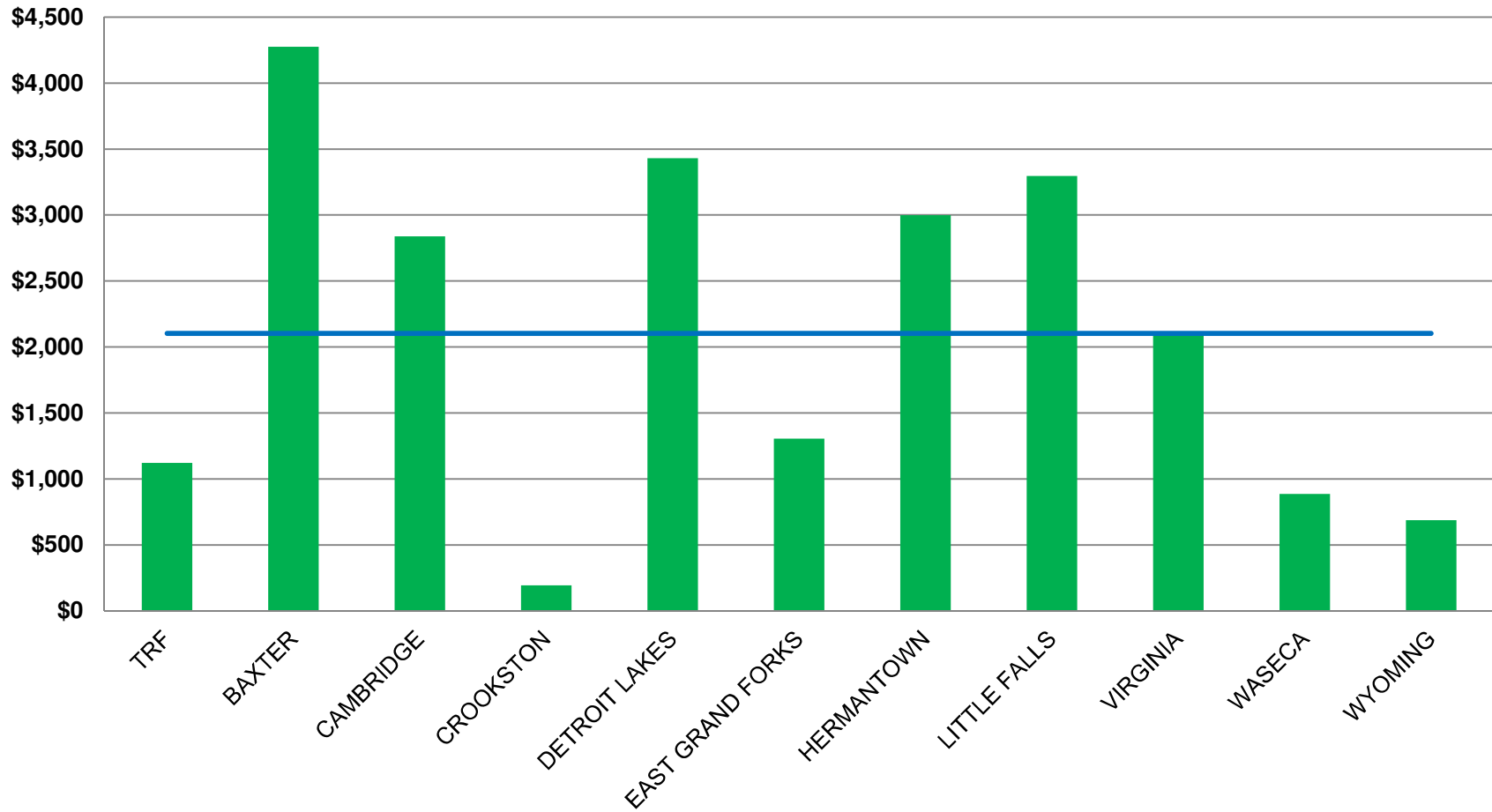
2012 LOCAL GOVERNMENT AID



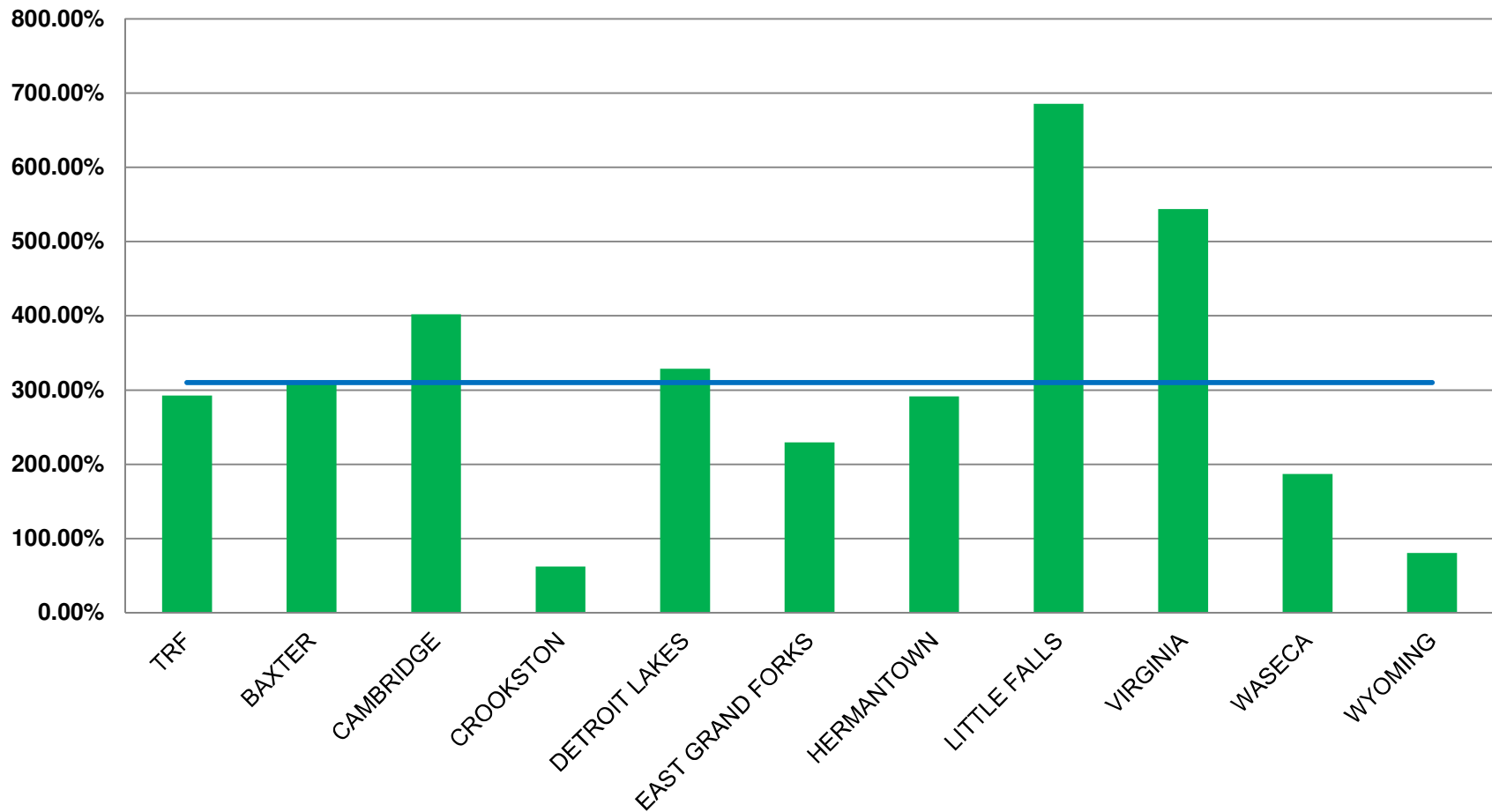
2010 OUTSTANDING DEBT



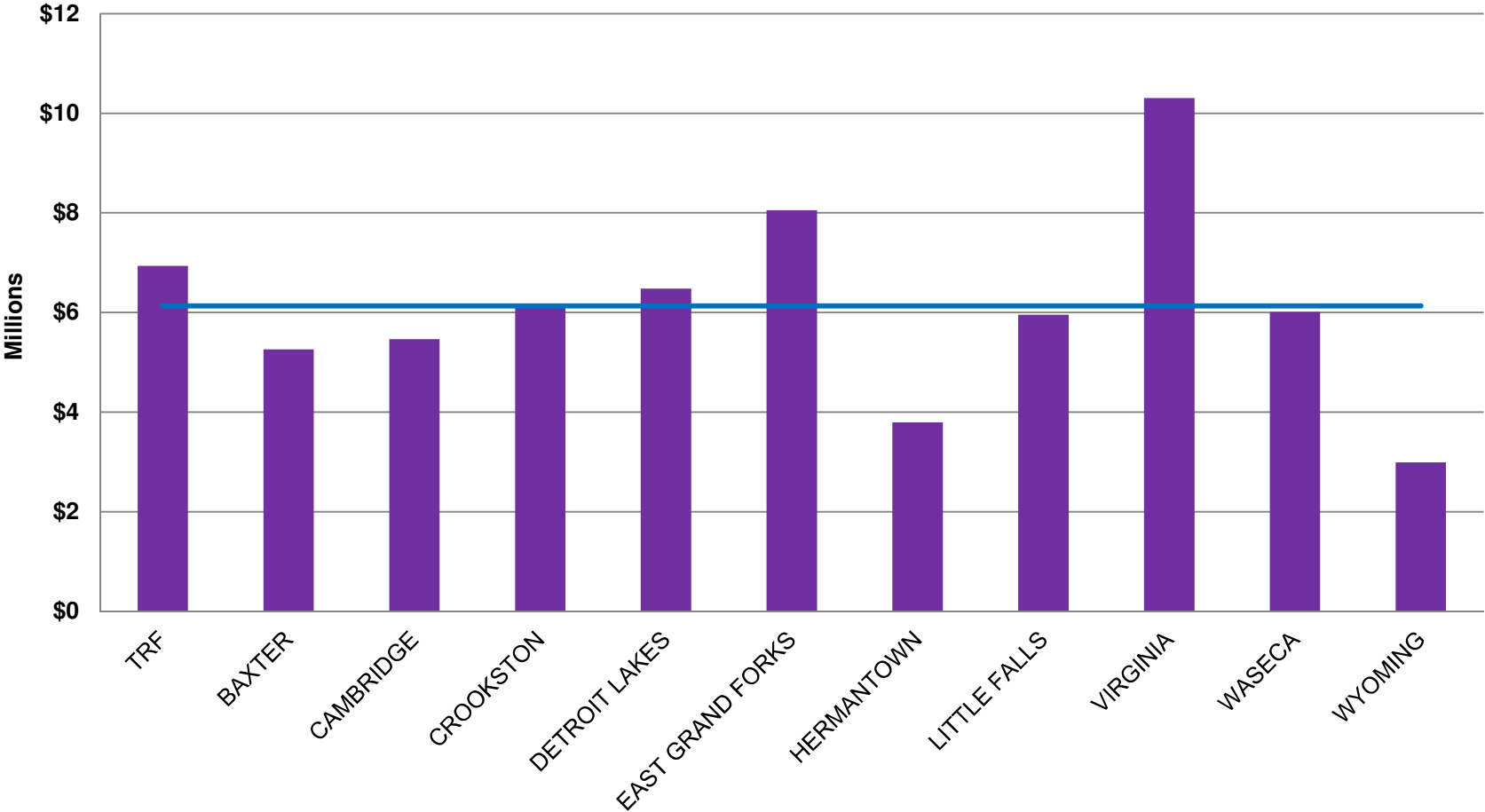
2010 DEBT PER CAPITA



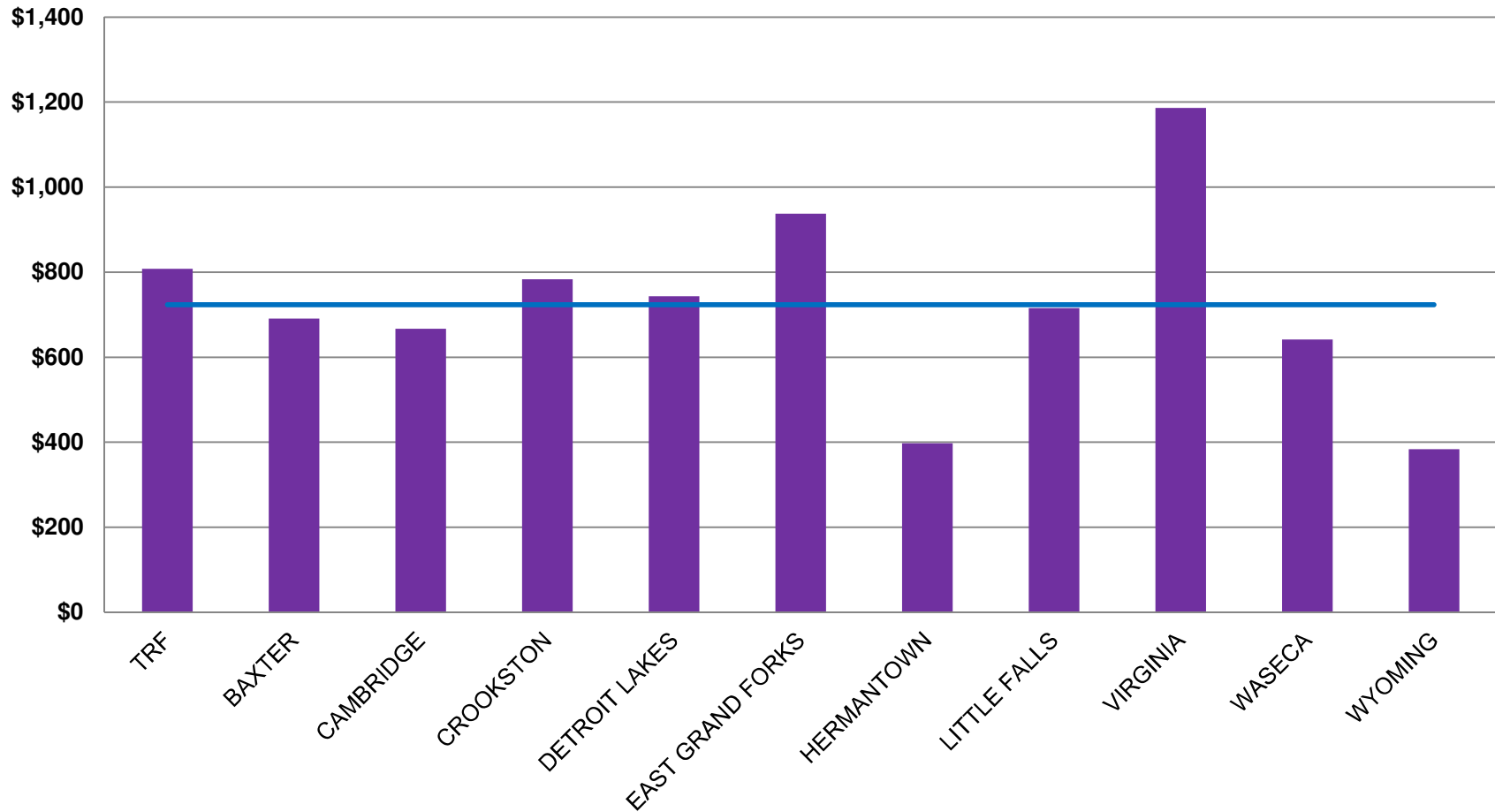
2010 DEBT AS % OF TAX CAPACITY



2010 GOVERNMENTAL EXPENDITURES



2010 GOVERNMENTAL EXPENDITURES PER CAPITA

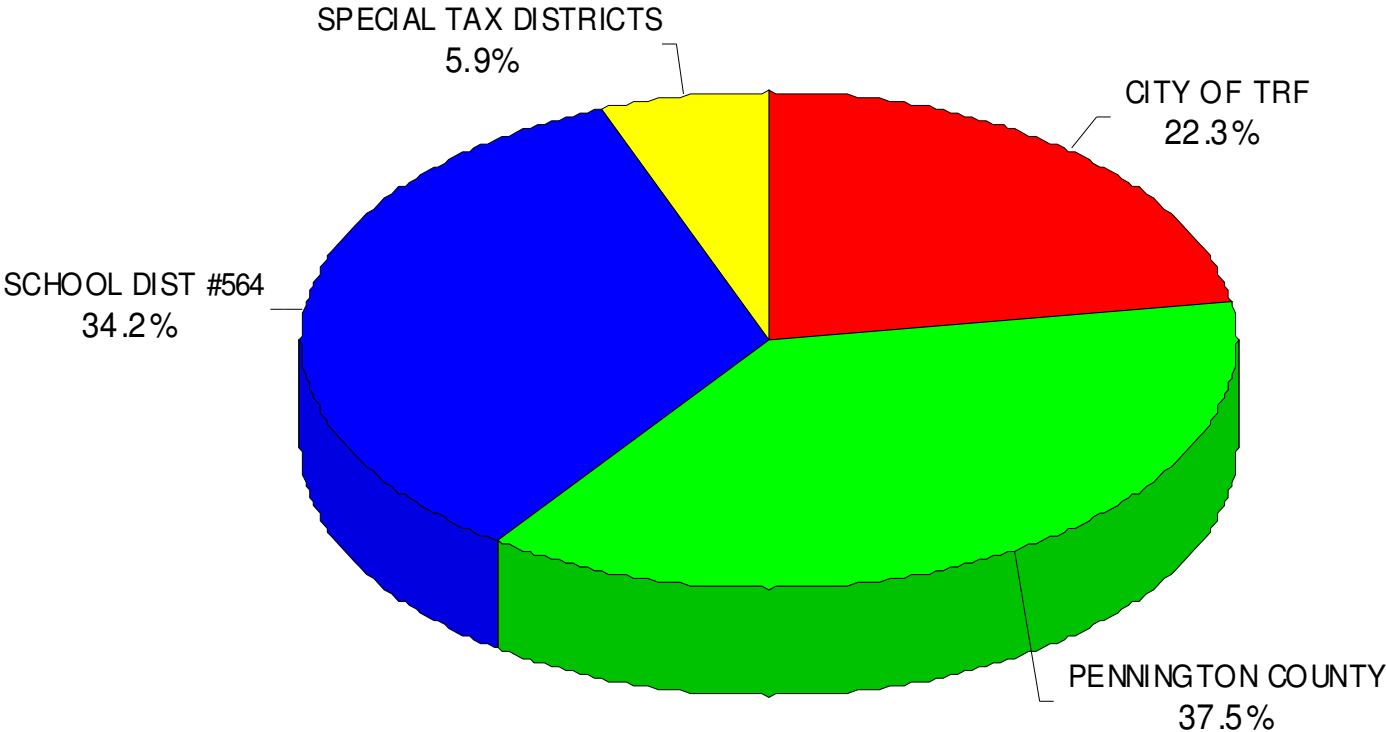


City of Thief River Falls

CONCLUSION

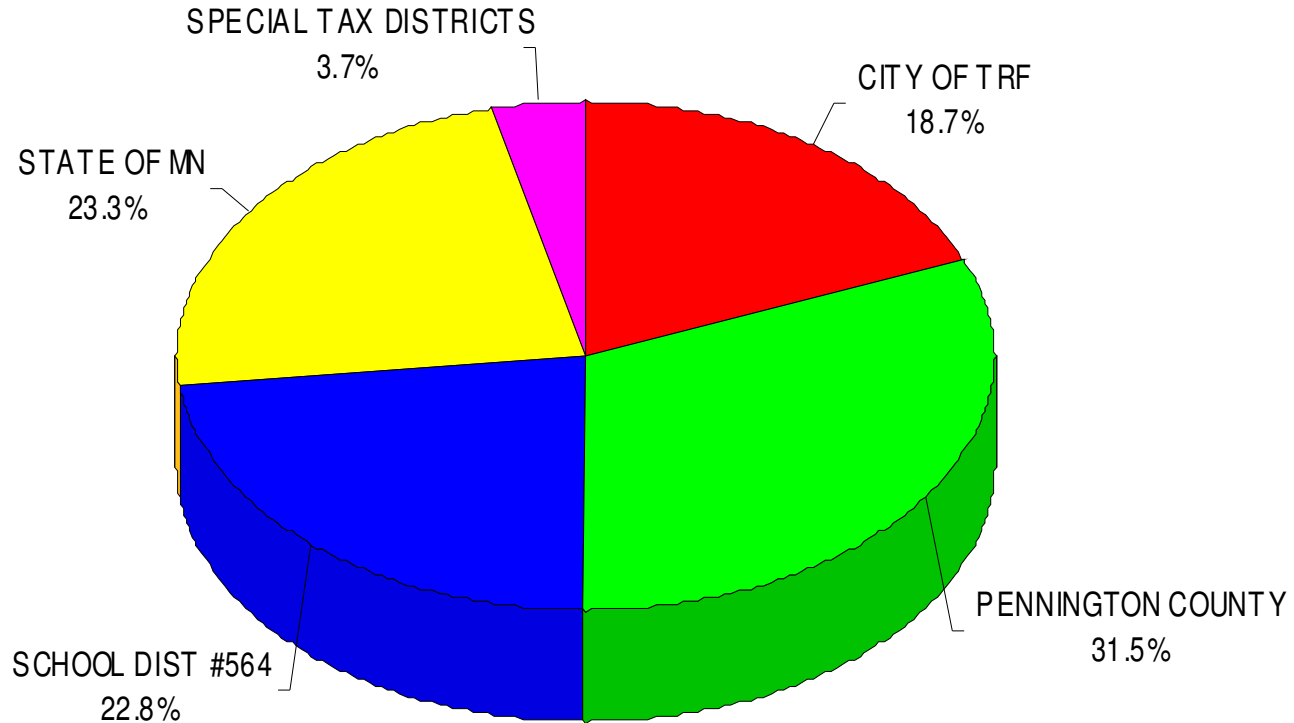
CITY OF THIEF RIVER FALLS WHERE YOUR TAX DOLLAR GOES

HOME OWNER 2013



CITY OF THIEF RIVER FALLS WHERE YOUR TAX DOLLARS GO

BUSINESS OWNER 2013



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 \$98,000.

The “City share” of the tax bill would be \$297, or \$24.75 per month.

CITY OF THIEF RIVER FALLS MONTHLY STATEMENT

TO: Residential Homeowner with Market Value of \$98,000	
Description	Amount
GENERAL GOVERNMENT (City Council, Elections, Administrative Services, Government Buildings, Community Development, and Legal)	\$2.94
PUBLIC SAFETY (Police and Fire Protection, Street Lighting)	\$11.11
STREET DEPT/ENG TECHNICAL SERVICES (Maintenance and Snow Removal)	\$2.11
CULTURE AND RECREATION (Arenas, Parks and Recreation programs, Regional Library support, and Branch Library building maintenance)	\$4.05
CAPITAL OUTLAY/DEBT SERVICE (Bond Payments, Equipment, Building Improvements, etc.)	\$2.07
MISC. OTHER EXPENDITURES (Liability & Workers' Comp, Operating Transfers to Other Funds, County Assessor fees, Audit fees, etc.)	\$2.47
PLEASE PAY	\$24.75

CITY OF THIEF RIVER FALLS SUMMARY

There was a:

- 2.1% increase in the 2013 General Fund budget
- Continued investment in city-wide capital expenditures of \$3.9 million
- 2% Staff pay adjustments
- 5.5% increase to Water and Wastewater rates

But, for the eighth consecutive year the City did not increase the property tax levy. The 2013 tax levy will be at 0%.

CITY OF THIEF RIVER FALLS

QUESTIONS?