



# Preliminary LEVY <sup>2021</sup>

# Budget Assumptions

- No increase to healthcare costs
- A 2% increase for cost of living and merit pay (KFS Avg 1.9%)
- A 3.5% increase in the police services contract
- Includes new technology fee for enhanced building software
- Includes planning intern funded by sign permit fee

# Remaining Budget & Rate Discussion Meetings

- September 28 – Preliminary Levy – Maximum Levy is Set
- October 12 – Special Revenue and Enterprise Funds
- Operating Budgets and CIP
- October 26 – Utility Rate Study discussion
- November 9 – Long-term Financial Direction discussion
- December 7 – Truth-in-Taxation Hearing
- December 14 – Set Final Budget & Tax Levy for 2021

# Scenario #1 – Staff Recommendation

- **LEVY** – Scenario #1 would be a total levy of \$12,066,700, an increase of \$325,332 (2.77%).
- **POTENTIAL BUDGET IMPACT** – This scenario would have no impacts on service levels.
- **RESIDENT IMPACT** – The result of this levy would be between a \$12-\$13 increase in the property tax bill (city portion) on the average home.

# Scenario #2

- **LEVY** – Scenario #2 would be a total levy of \$12,034,700, an increase of \$325,332 (2.50%).
- **POTENTIAL BUDGET IMPACT** – In order to achieve this scenario, \$32,000 in levy reductions would need to be created. Those reductions would have some impacts on service levels.
- **RESIDENT IMPACT** – The result of this levy would be between a \$10-\$11 increase in the property tax bill (city portion) on the average home.

# KFS General Fund Budgeted Expenditure Comparison

City	Population	Gen Fund Budgeted Expenditures		% Increase From 2019
		2019	2020	
Chanhassen	25,955	11,618,060	12,124,000	4.4%
Chaska	26,941	16,896,838	18,820,558	11.4%
Cottage Grove	36,399	20,958,986	21,932,200	4.6%
Elk River	24,567	17,096,650	17,891,000	4.6%
Inver Grove Heights	35,106	27,189,400	28,105,500	3.4%
Lino Lakes	21,117	9,984,864	10,225,053	2.5%
Prior Lake	25,735	13,336,972	14,638,746	9.8%
Rosemount	23,965	14,261,600	14,912,400	4.6%
Savage	30,713	15,951,876	16,582,439	4.0%
Shakopee	41,519	27,558,500	29,912,185	8.5%
Stillwater	19,748	15,995,345	16,843,322	5.3%
Average	28,342	17,923,103	18,986,340	5.9%

# KFS General Fund Per Capita Spending Comparison

City	Per Capita Spending 2020
Chanhassen	467
Chaska	699
Cottage Grove	603
Elk River	728
Inver Grove Heights	800
Lino Lakes	484
Prior Lake	569
Rosemount	622
Savage	539
Shakopee	720
Stillwater	853
Average	662

# Carver County Tax Rates

City	2020 Tax Rate**
<b>Chanhassen</b>	<b>21.176</b>
Chaska	28.425
Victoria	31.043
Waconia	46.713
Mayer	49.355
Carver	49.453
Watertown	54.743
Cologne	63.711
Norwood Young America	73.755
New Germany	95.862
Hamburg	105.099
<b>Average</b>	<b>59.816</b>

\*\* Based on Urban Tax Rates



# Hennepin County Tax Rates - 2020

City	Tax Rate**	City	Tax Rate**
Chanhasen	21.176	Mound	40.518
Wayzata	21.055	St. Louis Park	43.398
Medina	22.493	Robbinsdale	46.143
Minnetrista	24.735	Crystal	46.785
Plymouth	25.796	Rockford	48.674
Edina	27.945	Brooklyn Park	48.862
Excelsior	28.492	Richfield	53.292
Shorewood	29.008	Golden Valley	53.400
Eden Prairie	31.513	Osseo	57.740
Maple Grove	32.756	Minneapolis	57.918
Rogers	35.859	New Hope	64.721
Minnetonka	36.574	Brooklyn Center	65.233
Champlin	38.035	Hopkins	69.301
Bloomington	39.557	<b>AVERAGE</b>	<b>42.843</b>

# KFS Preliminary Levy Increase for 2021

City of Chanhassen	
KFS 2021 Prelim Levy Comparison	
City	Percent Levy Increase
Chaska	8.53%
Cottage Grove	3.99%
Elk River	5.00%
Inver Grove Heights	6.66%
Lino Lakes	6.20%
Prior Lake	5.25%
Rosemount	3.53%
Savage	7.16%
Shakopee	3.13%
Stillwater	2.66%
<b>AVG</b>	<b>5.21%</b>

# KFS Levy Comparison Since 2012

	Levy 2012	Levy 2020	Dollar Change	Percent Change	Percent Change Per Year Avg
Chaska	\$ 4,880,354	\$ 10,350,385	\$ 5,470,031	112.08%	14.01%
Cottage Grove	12,241,250	16,914,400	4,673,150	38.18%	4.77%
Elk River	10,275,815	12,885,770	2,609,955	25.40%	3.17%
Inver Grove Heights	14,958,691	24,810,277	9,851,586	65.86%	8.23%
Lino Lakes	8,227,259	10,491,518	2,264,259	27.52%	3.44%
Prior Lake	9,414,124	13,601,137	4,187,013	44.48%	5.56%
Rosemount	10,331,826	12,967,538	2,635,712	25.51%	3.19%
Savage	15,082,185	18,687,907	3,605,722	23.91%	2.99%
Shakopee	14,837,438	20,380,500	5,543,062	37.36%	4.67%
Stillwater	10,246,597	14,654,103	4,407,506	43.01%	5.38%
KFS Average	\$ 11,049,554	\$ 15,574,354	\$ 4,524,800	44.33%	5.54%
Chanhassen	\$ 10,153,690	\$ 11,741,368	\$ 1,587,678	15.64%	1.95%
Source					
<a href="https://www.revenue.state.mn.us/certified-2020-property-tax-levies">https://www.revenue.state.mn.us/certified-2020-property-tax-levies</a>					
<a href="https://www.revenue.state.mn.us/site-search?site_search_text=2012+certified+levies">https://www.revenue.state.mn.us/site-search?site_search_text=2012+certified+levies</a>					
In 2012 Chanhassen was below Average Levy by:			-8.11%		
In 2020 Chanhassen was below Average Levy by:			-24.61%		
In 2021 Chanhassen Projected below Average Levy by:			-27%		

# Recommendation

**Staff recommends setting a preliminary levy of Scenario #1, (\$12,066,700) to allow for flexibility and planning before setting a final levy in December.**

# Thank you!



Preliminary  
LEVY 2021