

**TRUTH IN TAXATION HEARING
CITY OF CARLTON
TAX YEAR 2019**

Dear Carlton Taxpayer;

The Carlton City Council and staff have worked diligently to ensure the city have a budget that is not only fiscally responsible but also maintains recommended budget reserves and necessary city services. The Carlton City Council and staff have estimated that a 2.1% increase in property taxes for 2019 will be necessary to achieve those goals. However, not everyone's property tax bill will increase by the same rate. There are several factors that could have an impact on your property tax bill:

1. **Individual property value** - If your property's value increased or decreased, it will affect the amount of property taxes you owe. Rising property values increase the taxable amount of your property and decreasing property values lower the taxable amount of your property.
2. **Value of other properties in the City** – If the total value of other property in the City rises faster than the value of your property, more of the burden of the property tax levy will be on those properties and your taxes will go down. If the total value of other property in the City rises more slowly than the value of your property, your property will bear more of the burden of the property tax levy, and your taxes will go up.
3. **Value of properties within Tax Increment Financing (TIF) districts** – TIF is a development tool in which a portion of the property tax (with in the TIF District) is returned to the property owner for a set number of years or until an agreed upon dollar amount is reached. When the city increases or decreases the number and value of properties within TIF districts, this affects the property tax burden payable by all property taxpayers within the City.
4. **Homestead Market Value Exclusion** – The Homestead Market Value Exclusion program reduces the amount of taxable values on certain homes. The program is not a credit, but rather a means of reducing the amount of the value on certain homes that is subject to property taxes. You'll notice the difference between "market value" and "taxable value" on your proposed property tax notice that is attributable to this program.
5. **Other jurisdictions' tax increases** – The Carlton Public Schools and Carlton County portions of your property tax bill may also change this year. The school district proposed an increase in its levy from 2018 by 42.6 percent and Carlton County's proposed increase is 4.5 percent.

Local Government Aid (LGA) is a State of Minnesota program that was originally created in 1971 as a means of reducing the disparities in the quality of education, county services and city services between jurisdictions with higher taxable values and lower taxable values. LGA goes directly into the City's General Fund, which primarily pays for essential services like Police, Fire, and Public Works, as well as many of the City's other core functions. The estimated combined LGA amounts for 2019 are stable and can be expected to remain fixed for the foreseeable future.

To provide you with information, attached are documents entitled Exhibit "A" and Exhibit "B". These Exhibits show you the City budget amounts and tax levy amounts and the percentages of increases or decreases over the last several years, and the proposed budget and levy amounts for 2019. The budget includes capital improvement funds necessary to maintain infrastructure, anticipated equipment needs and maintain healthy fund balances. Although there are many variables for the upcoming year, we are committed to remaining fiscally responsible and meeting future obligations.

"EXHIBIT A"

City Tax Levy History

	Before HACA Homestead and Credit Aid (HACA)	HACA	LESS HACA	INCREASE DECREASE
2000	\$155,642.00	\$53,501.00	\$102,141.00	-1.0%
2001	\$176,084.00	\$53,515.00	\$122,569.00	20.0%
2002	\$134,474.00	N/A	\$134,474.00	9.7%
2003	\$135,000.00	N/A	\$135,000.00	0.4%
2004	\$145,348.00	N/A	\$145,348.00	7.7%
2005	\$178,906.00	N/A	\$178,906.00	23.1%
2006	\$195,007.00	N/A	\$195,007.00	9.0%
2007	\$203,652.00	N/A	\$203,652.00	5.4%
2008	\$214,853.00	N/A	\$214,853.00	5.5%
2009	\$234,164.00	N/A	\$234,164.00	8.9%
2010	\$247,903.00	N/A	\$247,903.00	3.0%
2011	\$252,876.00	N/A	\$252,876.00	2.0%
2012	\$258,014.00	N/A	\$258,014.00	2.0%
2013	\$263,265.00	N/A	\$263,265.00	2.0%
2014	\$268,530.00	N/A	\$268,530.00	2.0%
Carlton and Thomson Merged				
2015	\$379,072.00	N/A	\$379,072.00	2.1%
2016	\$386,667.77	N/A	\$386,667.77	2.0%
2017	\$398,683.00	N/A	\$398,683.00	3.1%
2018	\$408,660.37	N/A	\$408,660.37	2.5%

EXHIBIT B
RECENT LEVY HISTORY BY FUND

GENERAL FUND	FOUR SEASONS	FIRE FUND	POST ETIREMEN	FIRE RELIEF	LIBRARY FUND	WATER DEBT	CEMETERY FUND	PROJECT DEBT	TOTAL LEVY	INC. DEC.
2004	\$55,621.00	\$0.00	\$25,717.00	\$5,250.00	\$2,500.00	\$19,326.00	\$10,705.00	\$26,229.00	\$145,348.00	7.70%
2005	\$98,006.00	\$0.00	\$27,210.00	\$5,250.00	\$2,500.00	\$20,115.00	\$0.00	\$25,825.00	\$178,906.00	18.76%
2006	\$105,527.00	\$0.00	\$31,145.00	\$5,250.00	\$2,500.00	\$22,350.00	\$0.00	\$28,235.00	\$195,007.00	8.26%
2007	\$104,911.00	\$5,000.00	\$32,038.00	\$5,250.00	\$2,500.00	\$22,350.00	\$0.00	\$31,603.00	\$203,652.00	4.24%
2008	\$110,710.00	\$5,000.00	\$34,356.00	\$5,250.00	\$2,500.00	\$22,350.00	\$0.00	\$34,687.00	\$214,853.00	5.21%
2009	\$130,818.00	\$5,000.00	\$34,365.00	\$3,600.00	\$2,500.00	\$22,271.00	\$0.00	\$35,610.00	\$234,164.00	8.25%
2010	\$128,166.00	\$5,000.00	\$48,674.00	\$3,600.00	\$2,500.00	\$22,350.00	\$0.00	\$37,613.00	\$247,903.00	5.54%
2011	\$139,128.00	\$5,000.00	\$43,955.00	\$6,000.00	\$2,500.00	\$19,243.00	\$0.00	\$37,050.00	\$252,876.00	1.97%
2012	\$140,781.00	\$5,000.00	\$45,554.00	\$5,100.00	\$2,500.00	\$17,320.00	\$0.00	\$41,759.00	\$258,014.00	1.99%
2013	\$143,051.00	\$9,000.00	\$45,425.00	\$4,600.00	\$2,500.00	\$17,320.00	\$0.00	\$41,369.00	\$263,265.00	1.99%
2014	\$121,250.00	\$5,000.00	\$47,310.00	\$3,600.00	\$2,500.00	\$17,318.00	\$0.00	\$30,000.00	\$268,530.00	1.96%
2015	\$259,511.39	\$5,000.00	\$42,362.00	\$0.00	\$1,500.00	\$17,319.00	\$0.00	\$12,506.17	\$379,071.56	2.12%
2016	\$216,999.00	\$5,000.00	\$43,552.00	\$2,331.00	\$2,500.00	\$23,119.00	\$14,730.00	\$78,437.00	\$386,668.00	1.96%
2017	\$210,728.00	\$5,000.00	\$46,143.00	\$2,321.00	\$2,500.00	\$23,319.00	\$14,082.00	\$94,590.00	\$398,683.00	3.01%
2018	\$189,922.00	\$5,000.00	\$52,238.37	\$1,900.00	\$2,500.00	\$23,000.00	\$39,014.00	\$94,086.00	\$407,660.37	2.20%

2019 Tax Levy

General Fund	\$217,097.00
Four Season	\$5,000.00
Fire Fund	\$54,595.00
Fire Relief Fund	\$2,500.00
Post Retirement Benefit	\$1,256.00
Library Fund	\$22,342.00
2015 G.O. Bond	\$93,582.00
Cemetery Fund	\$21,064.00
Levy Total for 2019	\$417,436.00

2019 General Funds Budget

Fund	Disbursements	Revenue other than Levy
General Fund	\$535,677.00	\$318,580.00
Four Seasons	\$5,000.00	0.00
Fire Fund	\$165,439.00	\$110,844.00
Fire Relief Fund	\$2,500.00	0.00
Post Retirement Benefit	\$2,100.00	\$844.00
Library Fund	\$24,442.00	\$2,100.00
2015 G.O. Bond	\$147,115.00	\$53,533.00
Cemetery	\$42,578.00	421,064.00
Budget Totals	\$1,052,851.00	\$635,415.00

2019 Enterprise Funds Budget

Fund	Disbursements	Revenue
Ambulance	\$451,697.00	\$455,920.00
Water	\$4,738,601.00	\$4,705,820.00
Sewer	\$196,185.00	\$208,600.00