

Martin County Truth in Taxation Public Hearing
December 7, 2017
Martin County Courthouse – Commissioners Board Room

Chairman Dan Schmidtke called the meeting of the 2017 Truth in Taxation Public Hearing to order at 6:00 p.m. Board members present were: Steve Flohrs, Elliot Belgard, Kathy Smith, Tom Mahoney, and Dan Schmidtke. Also present were: Scott Higgins, County Coordinator, James Forshee, Auditor/Treasurer, Mike Sheplee, Deputy Assessor, Dan Whitman, Assessor, Jessica Korte, Accountant-A/T Office, Rod Halvorsen, KSUM-KFMC Radio, Judy Bryan, Sentinel Newspaper, Julie Walters, Administrative Assistant, and one (1) member of the public. CY2018 Proposed Budget packets were provided to all in attendance.

Chairman Dan Schmidtke opened the public hearing noting the purpose of the meeting is to review and obtain public input on the CY2018 Proposed Levy and Budget, and is not to discuss property taxes.

Dan Whitman, Assessor, reviewed the Payable 2018 Tax Base Analysis as included in the agenda packets which notes the changes in the Estimated Market Value. Whitman noted what we've been trying to do the last couple of years to help to explain the tax capacity versus the estimated market value and that there are different steps in the mathematical equation that gets you to your taxes. There's been a little confusion lately over tax capacity and taxes and percentages between the different classes so we've included some graphs to try and help everyone understand and have put the equation on there this year as noted on the bottom of the analysis portion: $\text{EMV} - \text{Exclusion} = \text{TMV} \times \text{Class Rate} = \text{Tax Capacity} \times \text{Tax Rate} = \text{Gross Tax} - \text{Credits} = \text{Tax you pay}$. Whitman went on to note it does get pretty complex and confuses everybody so we're trying to give you the information to help you understand.

Mike Sheplee, Deputy Assessor, presented and reviewed a power point presentation identifying:

- ✓ How the three different mailings of Valuation Notice, Proposed Taxes, and Property Tax Statements, have three distinct purposes and three action steps.
- ✓ Top five questions received by the Assessor's Office: 1. I disagree with my value or classification, what can I do; 2. Assessor has incorrect information about my property; 3. My taxes are proposed to jump significantly, why; 4. What is the correlation between levy changes and my proposed property taxes; and 5. Will the proposed taxes change when I get my final tax bill next April.
- ✓ Keys to understanding tax changes including helping people understand how we determine who pays what; we ask and try to show why the tax burden is "shifting" (what group had been paying the majority of the taxes and what group is now paying more and how is that changing around and why); has the size of the pie changed – i.e. is taxing district spending more or less; my neighbor pays only a small amount of taxes but I pay a huge amount of taxes and mine went up a lot and my neighbor's didn't go up hardly any; and tell me what I can do – what are my options.
- ✓ Your slice of the tax PIE starts with your Classification and EMV:
Classification. How is the property used? Each has its own legislated class rate used statewide.

Estimated Market Value. Every parcel (15,200 in Martin County), every year.

Exclusions and credits. Homestead, Veterans, Ag Credits.

Tiers. Breaks in value where rates change, especially notable on linked Ag parcels.

Tax Capacity. The great equalizer. $EMV - Exclusion = TMV \times Class Rate = Tax Capacity$.

Levies. Costs of operation for each autonomous jurisdiction.

Special Assessments. Ditch, Solid Waste Fees, Recycling, Street Improvements.

✓ Is it fair? What can I do?

1. Assessment goal is fair and equitable valuation. Verify data is correct for your parcel. Cooperate with appraisers to keep data updated. Use assessor resources to help understand the EMV of your property.
2. Spending and service level decisions are within each taxing jurisdiction. Attend Truth in Taxation meetings, seek to understand and provide constructive feedback to administrators and decision makers.
3. Since the Minnesota Legislature sets the classification rates, exclusions and credits for all Minnesota properties, you can contact your lawmakers to discuss/suggest changes to property tax legislation.

James Forshee, Martin County Auditor/Treasurer, reviewed the proposed CY2018 budget noting requested expenditures are \$28,323,141; expected revenues of \$13,045,934; and total proposed levy of \$15,845,013 resulting in an overall tax levy increase over CY2017 of \$858,093 (5.69 percent increase); and that the tax levy provides the following services: \$4,246,728 – General Government, \$4,617,352 – Public Safety, \$5,000 – Forfeited Lands, \$2,479,490 – Road & Bridge, \$3,721,246 – Human Services, \$355,197 – Debt Service, and \$420,000 – Capital Projects. Forshee next reviewed color graphs depicting 2017 and 2018 Budgeted Revenues; 2017 and 2018 Budgeted Expenditures; What do your tax dollars provide; comparison of Total Budget to Levy (years 2014 through 2018); 2017 Proposed Budget by Fund; Proposed 2018 Gross Tax Levy by Fund; Proposed 2018 Revenues by Fund; 2018 Preliminary Budget/Tax Levy; Proposed Gross/Net Tax Levy Determination; Why is the Tax Levy Increasing: 1. Various projects being completed for County Buildings, 2. New Employee in Planning & Zoning – split between Buffer and Feedlot, 3. Increase in Court Appointed Attorney Costs, 4. Purchase of Election Machines – County Share, 5. Construction of new Storage Building, and 6. Increase in Soil & Water Allocation and Veteran’s Memorial Committee request; 2018/2017 Revenue Breakdown; and 2018/2017 Adopted Expenditures.

Chairman Schmidtke thanked Forshee for the budget review and asked if there was any public input.

Chuck Rudolph was present and noted he was on the school board in Mankato twenty-five years ago and the taxing system then was way too complicated. People don’t understand it. That’s why you don’t get feedback in the spring and it is worse now. In this presentation, talking about all the different things...the differences between you and your neighbor...people don’t understand that. There’s no way they can understand that. The whole thing has got to be simplified. I know I’m a voice crying in the wilderness with that one; but it has got to start somewhere and nobody is stepping up to the plate.

Rudolph went on to note I think one simple thing is when the valuation comes out to have a simple statement there that says if the levies were to remain the same in all of the taxing districts your taxes would go up by this percentage - just a simple statement to show them how it is going to come out. Valuation doesn't mean anything to people. It just gets buried in the details and so you don't get feedback in the spring because they don't understand where it is going to go and there's a sense in which you know you get your valuation and then the other side gets blamed...the budget side gets blamed. And then now there's a sense in which the evaluation gets blamed and so it is just kind of a Catch 22 and taxes keep going up. I said that back twenty-five years ago and that was a voice in the wilderness then. It has to start somewhere. Somebody has got to stand up and say enough.

Judy Bryan was present and inquired what the projected capital projects are over the next ten years.

Jessica Korte, Accountant-Auditor/Treasurer's Office, noted proposed capital projects include the following (projected out to the year 2029):

- Windows for the buildings
- Carpet and sidewalks at Human Services
- Elevator in the Security Building
- Air conditioner unit at Human Services
- General maintenance
- Generator upgrade
- Security cameras
- Courthouse parking lot overlay and guardrail
- Plexiglas over faux marble in Courthouse
- Proposed garage storage facility
- Roof repairs at Courthouse
- Purchase of fleet vehicle

Chairman Schmidtke asked if there was any further public input. There were no further comments.

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, with no further input from the public regarding the proposed 2018 Budget and Levy, hereby close the public hearing portion of the meeting. Carried unanimously.

Motion by Commissioner Mahoney, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, hereby set the date of December 19, 2017, at 9:45 a.m. as the date for final consideration of the proposed Budget and Property taxes for CY2018. Carried unanimously.

With no further business to wit, Board Chair adjourned the meeting at 6:51 p.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Dan Schmidtke, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator