

# PRIOR LAKE RESIDENTS

## DO YOU WANT TO PAY MORE TAXES?

THE CITY MANAGER HAS PROPOSED THE FOLLOWING FOR 2016

+22.6% spending increase (excluding debt service) as compared to last year's actual.

+ 11.5% tax levy increase (cumulative two-year increase of 22.6% for 2015 and 2016)

THE CITY'S CAPITAL IMPROVEMENT PLAN (CIP) INCLUDES

+Spending \$65M on capital projects over the next four years.

+Increasing City debt from \$36M to \$65M by year-end 2019 (80% increase in 5 years).

SPENDING, AND COST TO RESIDENTS HAS BEEN CLIMBING OVER THE PAST FIVE YEARS.

+Spending (excluding debt service) has increased by 64% in 5 years.

+Direct cost to residents (tax plus water & sewer bill) has climbed faster than inflation.

THE COUNCIL HAS HEARD THE CITY MANAGER. NOW THEY SHOULD HEAR YOU.



Citizens for Accountable Government

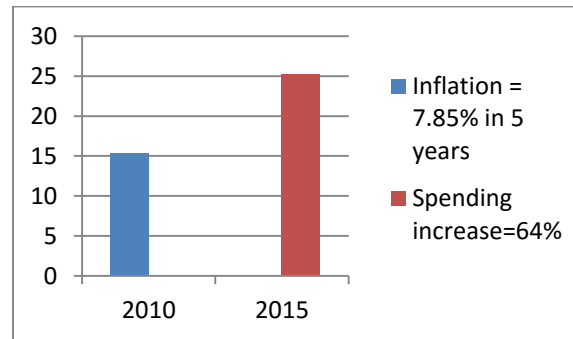
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October, 2015

## SPENDING HAS SKYROCKETED OVER 5 YEARS

This year's expense budget (excluding principal & interest payments on debt) is 64% higher than comparable expense just five years ago. During this same 5 years, cumulative inflation was less than 8%.

Budgeted spending in millions, excluding debt service



## YOUR DIRECT COST FOR CITY SERVICES HAS ALSO INCREASED.

You pay for City service with your property tax, plus your water & sewer bill. While tax has been held flat, your cost for water & sewer has been increased drastically, driving up your total cost for city services.

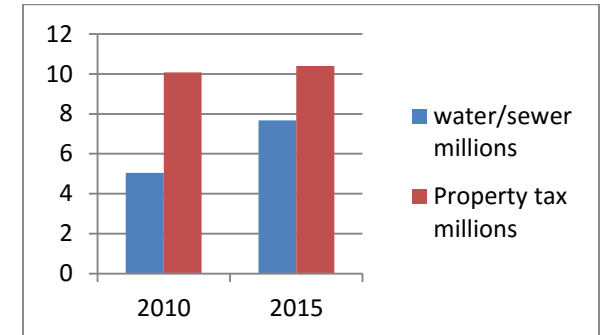
City residents now pay 49% more than 5 years ago, for the same water usage. If you have doubts, do the math. The billing rate for water & sewer in 2010 was \$4.15/1000 gallons of water used. Today's rate is \$6.17.

RESIDENTS NEED TO PAY AS MUCH ATTENTION TO THEIR WATER/SEWER BILL AS THEY DO THEIR PROPERTY TAX BILL.

## IF THE TREND CONTINUES, FUTURE COST FOR WATER & SEWER MAY EXCEED THE TAX BILL

Residents and businesses together now pay about 75% as much for water/sewer services per year, as they pay in property tax.

Total billings for tax & water/sewer services



## SORTING OUT THE FACTS IS NOT EASY.

Just 5 years ago the City budget included only 4 "budgeted funds" including Transit which no longer exists. The 2015 budget includes 10 "budgeted funds", so apples-to-apples spending comparisons are difficult.

We chose five years, 2010 to 2015, to examine spending trend (excluding debt service) and to report current status. The 2010 and 2015 budget are the oldest and newest available on the City website. We believe we've been fair in reporting the facts that lead to the following conclusion.

CITY SPENDING HAS INCREASED AT A RATE THAT EXCEEDS INFLATION AND GROWTH COMBINED, AND HAS DRIVEN UP THE COST FOR CITY SERVICES TO RESIDENTS.

**WE DON'T MIND PAYING TAXES, BUT WE HAVE A BIG PROBLEM WITH HOW OUR DOLLARS GET SPENT.**

- + \$3,800,000 to upgrade Highway 13/150th intersection, initially estimated at \$ 1.7 million
- + \$3,150,000 for the Arcadia/CR 21 intersection to nowhere
- + \$150,000 to study Highway 13/Duluth intersection
- + \$100,000 to \$200,000 to install, program, and maintain electronic roadside billboards
- + Hundreds of thousands for custom-designed & custom-built street lights
- + Hundreds of thousands to consultants for studies that often end up as nothing more than file cabinet reports

If space permitted, the list would be much longer. The point is it often seems that spending decisions are driven by a wish list in support of a City Hall vision, instead of in support of resident needs. The City's CIP (Capital Improvement Plan) that includes \$91 million in capital projects over the next 4 years illustrates the point.

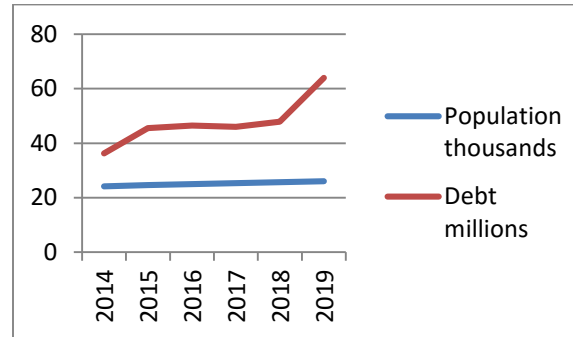
The 11.5% proposed tax increase was justified as needed for neglected infrastructure, but most of the increase is slated for wage, salary, & debt service increases. That will not repair infrastructure.

**WE BELIEVE CITY COUNCIL SHOULD DIRECT THE CITY MANAGER TO PREPARE A BUDGET THAT IS FISCALLY SUSTAINABLE, AND THAT MEETS NEEDS OF RESIDENTS AND TAXPAYERS.**

**OUR OPINION**

City Hall's CIP shows debt increasing 80% over 5 years. We believe this will lead to more future double-digit tax increases.

**Forecasted debt vs population growth**



We call it **kicking the can down the road** when City Hall plans to increase City debt by 80% in 5 years. Our mayor calls it *kicking the can down the road if Council doesn't approve a double digit tax levy increase.*

**WHAT CAN YOU DO?**

If you find this information disturbing, we urge you to express your concern to members of City Council (emails below).

khedberg@cityofpriorlake.com,mmcguire@cityofpriorlake.com,rkeeney@cityofpriorlake.com,mmorton@cityofpriorlake.com,athompson@cityofpriorlake.com

You can also attend the public hearing on the 2016 budget & levy, on December 14.

**WE BELIEVE THE COUNCIL MUST BE ADAMANT IN SAYING NO TO SPENDY PROJECTS THAT ARE NOT CRITICAL TO THE SAFETY AND WELLBEING OF OUR RESIDENTS.**



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**Sadly, Government spending has become an uncontrollable addiction in America, even at the local level where it must be paid for by residents via taxes, water and sewer bills, special assessments, and other fees.**

CAG's mission is to promote & support local government that is fiscally responsible and accountable to the taxpayers and residents of Prior Lake.

We encourage you to support our effort by staying informed, and by letting us know what you think on crucial issues. You can contact us on our website or on facebook.

This publication was prepared and paid for by Citizens for Accountable Government.

Note – Data in this brochure were obtained from City approved budgets for 2010 to 2015, City preliminary budget for 2016 (as approved on 9/28/2015), City approved Capital Improvement Program 2016-2020, and the US Bureau of Labor Statistics.

We have diligently attempted to be fair and accurate, but do not guarantee accuracy or assume liability for the contents of this brochure or the data sources used.