



MAYOR & COUNCIL COMMUNICATION

DATE: September 20, 2016
REGULAR
ITEM #30
RESOLUTION #2016-77

AGENDA ITEM: Approve 2017 Preliminary General Fund & Library Fund Annual Budget and Tax Levy

SUBMITTED BY: Cathy Bendel, Finance Director

THROUGH: Cathy Bendel, Finance Director

REVIEWED BY: Finance Committee

SUGGESTED ORDER OF BUSINESS:

- Introduction of ItemFinance Director
- Report/Presentation.....Finance Director/Finance Committee Chair
- Questions from Council to Staff Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Finance Director and Finance Committee

FISCAL IMPACT: NA

SUMMARY AND ACTION REQUESTED: Pursuant to State law regarding the adoption of the *Preliminary* 2017 General Fund and Library Fund Levy, the City Council is asked to approve the *Preliminary* 2017 Annual Budget and Levy for these two funds. It is recommended that the City Council pass Resolution 2016-77, thereby approving the *Preliminary* 2017 General Fund and Library Fund Annual Budget's and Levies by undertaking the following motion:

“Move to approve Resolution No. 2016-77 adopting the preliminary 2017 General Fund and Library Fund Annual Budget’s and Levies”

BACKGROUND INFORMATION: The City of Lake Elmo has both the legal and fiduciary authority and responsibility under Minnesota State Statute to adopt a *Preliminary* 2017 General Levy. Typically the City Council adopts a *Preliminary* Annual Budget at the same time. Following such adoption, the City Council may lower, but not raise the General and Library Levies and a final Levy and Budget must be adopted by December 28th, 2016.

STAFF REPORT: There were two joint meetings with the Finance Committee and the City Council on July 19, 2016 and August 10, 2016 to review the 2017 budget for the City of Lake Elmo General Fund. The Finance Committee met on September 13, 2016 and made additional recommendations. At the September 14, 2016 Library Board meeting, the Library Board will be reviewing an in-depth budget and levy presentation for 2017 related to the Library Fund. As a result of those meetings, the Finance Committee is recommending that the City Council approve the attached *Preliminary* Annual Budget for the General Fund and adopt the 2017 Levies as summarized in Resolution 2016-77.

RECOMMENDATION: It is recommended that the City Council pass Resolution 2016-77, thereby approving the *Preliminary* 2017 General Fund and Library Fund Annual Budget's and Levies by undertaking the following motion:

“Move to approve Resolution No. 2016-77 adopting the preliminary 2017 General Fund and Library Fund Annual Budget's and Levies”

ATTACHMENT:

1. Resolution No. 2016-77
2. Preliminary 2017 General Fund Budget
3. Preliminary 2017 Library Fund Budget
4. Tax Impact Work Sheet

**CITY OF LAKE ELMO
WASHINGTON COUNTY, MINNESOTA**

RESOLUTION NO. 2016-77

**RESOLUTION APPROVING PROPOSED 2016 TAX LEVY, COLLECTIBLE IN 2017
AND
PROPOSED 2017 BUDGET**

WHEREAS, the City Council has conducted budget workshops and meetings to review the 2016 Tax Levy, collectible in 2017, and the proposed 2017 General Fund and 2017 Library Fund Budgets; and

WHEREAS, the City is required to adopt a proposed budget for payable 2017 and certify its proposed property tax levy payable in 2017.

BE IT RESOLVED that the City adopts the proposed 2017 General Fund and Library Fund Budgets,

BE IT FURTHER RESOLVED by the Council of the City of Lake Elmo, County of Washington, Minnesota that the following proposed sums of money be levied for the current year, collectible in 2017, upon taxable property in the City of Lake Elmo, for the following purposes:

| | |
|-------------------------|-------------------|
| Total General Fund Levy | \$1,998,847 |
| Total G.O. Debt Levy | \$ 824,622 |
| Library Levy | <u>\$ 256,957</u> |
| Total Levy | \$3,080,426 |

BE IT FUTHER RESOLVED that the City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Washington County, Minnesota.

ADOPTED, by the Lake Elmo City Council on the 20th day of September, 2016.

Mike Pearson
Mayor

ATTEST:

Julie Johnson
City Clerk

**City of Lake Elmo
Budget 2017
(Based on 244 new homes)**

| Account Number | Description | 2014 Actual | 2015 Actual | 2016 Budget | 2016 Projected Actual | 2017 Budget | 2016 to 2017 Change |
|--|-------------------------------|-------------|-------------|-------------|-----------------------|-------------|---------------------|
| GENERAL FUND | | | | | | | |
| Revenues | | | | | | | |
| Property Taxes/Franchise Fees | | | | | | | |
| 101-000-0000-31010 | Current Ad Valorem Taxes | \$2,237,110 | \$2,204,429 | \$2,033,198 | \$2,078,420 | \$1,809,875 | -12.9% |
| 101-000-0000-31020 | Delinquent Ad Valorem Taxes | \$14,986 | \$30,473 | \$15,000 | \$14,394 | \$15,000 | 4.2% |
| 101-000-0000-31030 | Mobile Home Tax | \$15,708 | \$18,874 | \$12,000 | \$15,054 | \$12,000 | -20.3% |
| 101-000-0000-31040 | Fiscal Disparities | \$140,432 | \$179,607 | \$157,508 | \$157,508 | \$161,272 | 2.4% |
| 101-000-0000-31910 | Penalty & Interest on Taxes | \$9,002 | \$725 | \$700 | \$881 | \$700 | -20.5% |
| 101-000-0000-33622 | Cable Franchise Revenue | \$41,602 | \$68,129 | \$45,000 | \$98,218 | \$72,000 | -26.7% |
| Total Property Taxes/Franchise Fees | | | | | | | |
| | | \$2,458,841 | \$2,502,237 | \$2,263,406 | \$2,364,475 | \$2,070,847 | -12.4% |
| Licenses and Permits | | | | | | | |
| 101-000-0000-32110 | Liquor License | \$150 | \$8,350 | \$11,000 | \$9,825 | \$9,000 | -8.4% |
| 101-000-0000-32180 | Wastehauler License | \$2,400 | \$480 | \$1,680 | \$2,400 | \$1,000 | -58.3% |
| 101-000-0000-32181 | General Contractor License | \$100 | \$0 | \$0 | \$150 | \$150 | 0.0% |
| 101-000-0000-32183 | Heating Contractor License | \$4,920 | \$3,950 | \$2,500 | \$3,400 | \$2,850 | -16.2% |
| 101-000-0000-32210 | Building Permits | \$225,801 | \$422,316 | \$508,200 | \$752,677 | \$808,157 | 7.4% |
| 101-000-0000-32220 | Heating Permits | \$23,064 | \$34,359 | \$38,000 | \$108,159 | \$44,820 | -58.6% |
| 101-000-0000-32230 | Plumbing Permits | \$21,914 | \$42,662 | \$46,800 | \$72,833 | \$44,820 | -38.5% |
| 101-000-0000-32240 | Animal License | \$2,569 | \$2,116 | \$2,500 | \$1,855 | \$1,720 | -7.3% |
| 101-000-0000-32250 | Utility Permits | \$26,427 | \$59,033 | \$25,000 | \$50,845 | \$33,000 | -35.1% |
| 101-000-0000-32260 | Burning Permit | \$1,650 | \$1,530 | \$2,750 | \$2,400 | \$3,750 | 56.3% |
| 101-000-0000-32270 | Massage Therapy | \$200 | \$200 | \$150 | \$75 | \$100 | 33.3% |
| 101-000-0000-32280 | Electrical Permits | \$6,109 | \$9,257 | \$0 | \$31 | \$0 | -100.0% |
| 101-000-0000-34104 | Plan Check Fees | \$135,816 | \$242,970 | \$278,129 | \$399,305 | \$513,002 | 28.5% |
| Total Licenses and Permits | | | | | | | |
| | | \$451,119 | \$827,222 | \$916,709 | \$1,403,955 | \$1,462,369 | 4.2% |
| Intergovernmental | | | | | | | |
| 101-000-0000-33418 | MSA - Maintenance | \$101,696 | \$119,464 | \$101,696 | \$123,433 | \$130,838 | -6.0% |
| 101-000-0000-33420 | State Fire Aid | \$3,446 | \$58,166 | \$41,500 | \$47,000 | \$47,000 | 0.0% |
| 101-000-0000-33422 | PERA Aid | \$2,749 | \$2,749 | \$2,749 | \$2,749 | \$2,749 | 0.0% |
| 101-000-0000-33426 | Miscellaneous State Grants | \$17,692 | \$27,864 | \$5,064 | \$4,401 | \$4,820 | -9.5% |
| 101-000-0000-33621 | Recycling Grant | \$15,500 | \$15,688 | \$15,500 | \$15,688 | \$15,688 | 0.0% |
| Total Intergovernmental | | | | | | | |
| | | \$191,083 | \$223,931 | \$166,509 | \$193,271 | \$201,095 | 4.0% |
| Charges for Services | | | | | | | |
| 101-000-0000-34103 | Zoning & Subdivision Fees | \$28,691 | \$29,035 | \$27,500 | \$20,340 | \$23,000 | 13.1% |
| 101-000-0000-34105 | Sale of Copies, Books, Maps | \$301 | \$116 | \$175 | \$192 | \$280 | 45.6% |
| 101-000-0000-34107 | Assessment Searches | \$1,200 | \$3,030 | \$1,215 | \$3,245 | \$1,395 | -57.0% |
| 101-000-0000-34109 | Clean Up Days | \$0 | \$3,615 | \$2,000 | \$0 | \$0 | 0.0% |
| 101-000-0000-34111 | Cable Operation Reimbursement | \$2,500 | \$3,783 | \$4,000 | \$4,000 | \$4,000 | 0.0% |
| Total Charges for Services | | | | | | | |
| | | \$32,692 | \$39,579 | \$34,890 | \$27,777 | \$28,675 | 3.2% |

City of Lake Elmo
 Budget 2017
 (Based on 244 new homes)

| Dept Number | Description | 2014 Actual | 2015 Actual | 2016 Budget | 2016 Projected Actual | 2017 Budget | 2016 to 2017 Change |
|--------------------------------------|--------------------------|-------------|-------------|-------------|-----------------------|-------------|---------------------|
| GENERAL FUND | | | | | | | |
| Expenditures by Program & Department | | | | | | | |
| General Government | | | | | | | |
| 1110 | Mayor & Council | \$39,896 | \$49,196 | \$45,955 | \$55,797 | \$46,893 | -15.96% |
| 1320 | Administration | \$456,912 | \$533,043 | \$360,998 | \$592,720 | \$508,168 | -14.27% |
| 1410 | Electrons | \$9,875 | \$1,880 | \$15,800 | \$15,947 | \$1,200 | -92.48% |
| 1520 | Finance | \$161,541 | \$119,300 | \$124,835 | \$130,771 | \$124,837 | -4.54% |
| 1910 | Planning & Zoning | \$252,799 | \$231,199 | \$284,682 | \$276,623 | \$325,503 | 17.67% |
| 1930 | Engineering Services | \$36,312 | \$32,942 | \$48,000 | \$36,024 | \$36,000 | -0.07% |
| 1940 | City Hall | \$26,355 | \$61,000 | \$55,082 | \$67,122 | \$63,654 | -5.17% |
| Total General Government | | \$983,691 | \$1,028,560 | \$935,353 | \$1,175,004 | \$1,106,256 | -5.85% |
| Public Safety | | | | | | | |
| 2100 | Police | \$515,604 | \$527,462 | \$527,060 | \$527,695 | \$642,433 | 21.74% |
| 2150 | Prosecution | \$54,466 | \$55,710 | \$54,700 | \$44,151 | \$43,200 | -2.15% |
| 2220 | Fire | \$400,709 | \$368,658 | \$377,232 | \$377,966 | \$368,824 | -2.42% |
| 2250 | Fire Relief | \$53,446 | \$8,166 | \$37,323 | \$47,000 | \$47,000 | 0.00% |
| 2400 | Building Inspection | \$143,283 | \$183,079 | \$260,766 | \$209,897 | \$335,984 | 60.07% |
| 2500 | Emergency Communications | \$3,373 | \$3,745 | \$7,400 | \$5,595 | \$5,395 | -3.57% |
| 2700 | Animal Control | \$10,086 | \$11,415 | \$7,550 | \$8,200 | \$7,725 | -5.79% |
| Total Public Safety | | \$1,180,968 | \$1,208,235 | \$1,272,031 | \$1,220,504 | \$1,450,561 | 18.85% |
| Public Works | | | | | | | |
| 3100 | Public Works | \$386,213 | \$337,440 | \$411,285 | \$478,609 | \$474,595 | -0.84% |
| 3120 | Streets | \$49,978 | \$228,785 | \$413,000 | \$409,622 | \$467,500 | 14.13% |
| 3125 | Ice & Snow Removal | \$104,346 | \$87,170 | \$87,250 | \$74,402 | \$76,250 | 2.48% |
| 3160 | Street Lighting | \$22,614 | \$25,910 | \$26,400 | \$25,783 | \$26,400 | 2.39% |
| 3200 | Recycling | \$5,224 | \$568 | \$5,900 | \$3,165 | \$0 | -100.00% |
| 3250 | Tree Program | \$5,350 | \$1,500 | \$1,000 | \$1,000 | \$1,000 | 0.00% |
| Total Public Works | | \$573,727 | \$681,373 | \$944,835 | \$992,580 | \$1,045,745 | 5.36% |
| Culture & Recreation | | | | | | | |
| 5200 | Parks & Recreation | \$207,178 | \$219,272 | \$231,320 | \$198,827 | \$251,529 | 26.51% |
| Total Culture & Recreation | | \$207,178 | \$219,272 | \$231,320 | \$198,827 | \$251,529 | 26.51% |

| | | | | | | | |
|------|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| 9000 | IT & Telephone | \$48,513 | \$66,819 | \$81,976 | \$83,310 | \$67,396 | -19.10% |
| | Compensation Adjustment | \$0 | \$0 | \$20,000 | \$20,000 | \$35,000 | 75.00% |
| | Debt Service Increase | \$21,632 | \$247,118 | \$0 | \$0 | \$0 | 100.00% |
| | Transfer to City Projects (streets) | \$130,000 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | Other Financing | \$200,000 | \$200,000 | \$0 | \$0 | \$0 | 0.00% |
| | Total Expenditures | \$3,345,709 | \$3,651,377 | \$3,485,515 | \$3,690,225 | \$3,956,486 | 7.22% |

| | 2016 Full Year Budget | 2016 Year To Date as of 7/31 | 2016 Projections | 2017 Draft Budget | Notes |
|--|-----------------------|------------------------------|---------------------|---------------------|---|
| REVENUE | | | | | |
| Current Ad Valorem Taxes | \$256,957.00 | \$128,478.00 | \$256,957.00 | \$256,957.00 | |
| Rental Income | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Interest Earning | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Miscellaneous Revenue | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Donation | \$0.00 | \$10,970.00 | \$15,000.00 | \$4,000.00 | |
| Total Revenue | \$256,957.00 | \$139,448.00 | \$271,957.00 | \$260,957.00 | |
| EXPENSE | | | | | |
| FT Salaries | \$46,311.00 | \$27,517.65 | \$49,500.00 | \$49,995.00 | 1% pay increase |
| PT Salaries | \$26,260.00 | \$14,071.88 | \$26,000.00 | \$27,047.80 | 3% pay increase |
| PERA Contributions | \$4,277.00 | \$3,119.23 | \$4,700.00 | \$4,555.00 | |
| FICA Contributions | \$3,479.00 | \$2,482.73 | \$3,800.00 | \$3,895.00 | |
| Medicare Contributions | \$814.00 | \$580.68 | \$850.00 | \$910.00 | |
| Health/Dental Insurance | \$14,144.00 | \$8,160.00 | \$14,361.60 | \$14,500.00 | |
| Unemployment Benefits | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Workers Compensation | \$0.00 | \$0.00 | \$0.00 | \$350.00 | |
| Library Service Supplies | \$1,100.00 | \$0.00 | \$600.00 | \$1,500.00 | |
| Office Supplies | \$3,600.00 | \$1,592.02 | \$2,800.00 | \$3,500.00 | |
| Library Collection Maintenance | \$42,811.00 | \$42,157.56 | \$55,000.00 | \$55,000.00 | includes new computers and added database |
| Legal Services | \$1,500.00 | \$3,358.00 | \$3,800.00 | \$4,000.00 | |
| Contract Services | \$6,000.00 | \$0.00 | \$1,200.00 | \$6,000.00 | |
| Telephone | \$1,560.00 | \$1,119.13 | \$1,800.00 | \$1,800.00 | |
| Internet | \$1,800.00 | \$676.28 | \$1,800.00 | \$2,000.00 | |
| Information Technology (Equinox) | \$3,100.00 | \$0.00 | \$3,100.00 | \$3,200.00 | |
| Information Technology Network Maintenance | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Software | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Insurance | \$2,000.00 | \$1,637.00 | \$2,000.00 | \$2,200.00 | |
| Utilities | \$7,500.00 | \$3,344.08 | \$8,000.00 | \$8,000.00 | |
| Refuse | \$600.00 | \$569.34 | \$1,000.00 | \$600.00 | |
| Repair/Maint Bldg | \$12,000.00 | \$17,926.75 | \$22,000.00 | \$30,000.00 | includes \$15000 in building improvements |
| Repair/Maint NOT Bldg | \$0.00 | \$94.42 | \$100.00 | \$0.00 | |
| Repair/Maint Equip (out-LH Imp | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Library Card Reimbursements | \$12,000.00 | \$18,004.67 | \$28,000.00 | \$32,000.00 | |
| WA Cty service fee | \$9,300.00 | \$0.00 | \$0.00 | \$0.00 | |
| Library service improvements | \$46,000.00 | \$0.00 | \$0.00 | \$0.00 | |
| Miscellaneous | \$1,800.00 | \$369.94 | \$800.00 | \$1,000.00 | |
| Building Purchase Repayment | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Building Property Tax | \$1,000.00 | \$0.00 | \$1,000.00 | \$0.00 | |
| Other Equipment | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Subscriptions | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Conferences & Training | \$3,500.00 | \$0.00 | \$700.00 | \$2,500.00 | |
| Programs | \$4,500.00 | \$0.00 | \$4,000.00 | \$6,000.00 | |
| Internal Charges | \$0.00 | \$10.00 | \$100.00 | \$500.00 | |
| Associate Library Charges Equipment | \$0.00 | \$0.00 ? | | ? | |
| Associate Library Charges Service Charges | \$0.00 | \$0.00 ? | | ? | |
| Total Library | \$256,956.00 | \$146,791.36 | \$237,011.60 | \$261,052.80 | Restroom and parking lot costs not included in 2016 projections |

Proposed Pay 2017 Property Tax Impact Worksheet

Taxing District:

0800 Lake Elmo

STEP 1 - Calculate the Taxing District's Tax Rate:

| Item | | Actual Pay 2016 (A) | Proposed Pay 2017 (B) | % Change (C) |
|---|---|--|-----------------------|----------------|
| 1. Levy before reduction for state aids | | \$3,112,204 | \$3,080,426 | -1.0% |
| 2. State Aids | - | \$0 | \$0 | 0.0% |
| 3. Certified Property Tax Levy | = | \$3,112,204 | \$3,080,426 | -1.021% |
| 4. Fiscal Disparity Portion of Levy | - | \$157,509 | \$161,272 | 2.4% |
| 5. Local Portion of Levy | = | \$2,954,695 | \$2,919,154 | -1.2% |
| 6. Local Taxable Value | ÷ | 12,779,339 <i>2017 is an ESTIMATE</i> | 13,995,965 | 9.5% |
| 7. Local Tax Rate | = | 23.121% | 20.857% | -9.8% |
| 8. Market Value Referenda Levy | | \$0 | \$0 | 0.0% |
| 9. Fiscal Disparity Portion of Levy (SD only) | - | \$0 | \$0 | 0.0% |
| 10. Local Portion of Levy | = | \$0 | \$0 | 0.0% |
| 11. Referenda Market Value | ÷ | 1,175,646,100 <i>2017 is an ESTIMATE</i> | 1,278,432,400 | 8.7% |
| 12. Market Value Referenda Rate | = | 0.00000% | 0.00000% | 0.0% |

STEP 2 - Calculate the Impact of the Taxing District's Rate on Residential Homestead Taxes:

13. Assumes a 2.1% change in market value from 2016 to 2017, which is the city median change.

| (D) | (E) | (F) | (G) | (H) |
|-------------------------------|----------------------------------|----------------------|--------------|--------------------------------|
| Market Value Before Exclusion | Homestead Market Value Exclusion | Taxable Market Value | Tax Capacity | Taxing District Portion of Tax |

| Actual Pay 2016 | | | | |
|-----------------|---------------------------|-----------|-----------------------------|-------------------------|
| Pay 2016 MV | 76,000 @40% - rem @ 9% | (D) - (E) | 500,000@1.0% rem @ 1.25% | (A7 x G) + (A12 X D) |
| 14. 368,100 | 4,100 | 364,000 | 3,640 | \$841.60 |
| 15. 97,900 | 28,400 | 69,500 | 695 | \$160.69 |
| 16. 146,900 | 24,000 | 122,900 | 1,229 | \$284.16 |
| 17. 244,900 | 15,200 | 229,700 | 2,297 | \$531.09 |
| 18. 391,800 | 2,000 | 389,800 | 3,898 | \$901.26 |

| Proposed Pay 2017 | | | | |
|---------------------|---------------------------|-----------|-----------------------------|-------------------------|
| Pay 2017 MV X 1.021 | 76,000 @40% - rem @ 9% | (D) - (E) | 500,000@1.0% rem @ 1.25% | (B7 x G) + (B12 x D) |
| 19. 375,800 | 3,400 | 372,400 | 3,724 | \$776.71 |
| 20. 100,000 | 28,200 | 71,800 | 718 | \$149.75 |
| 21. 150,000 | 23,700 | 126,300 | 1,263 | \$263.42 |
| 22. 250,000 | 14,700 | 235,300 | 2,353 | \$490.77 |
| 23. 400,000 | 1,200 | 398,800 | 3,988 | \$831.78 |

Tax Increase
(Decrease)
(\$64.89)

| Percentage Change from 2016 to 2017 | | | | |
|-------------------------------------|--------|------|------|-------|
| 24. 2.1% | -17.1% | 2.3% | 2.3% | -7.7% |
| 25. 2.1% | -0.7% | 3.3% | 3.3% | -6.8% |
| 26. 2.1% | -1.3% | 2.8% | 2.8% | -7.3% |
| 27. 2.1% | -3.3% | 2.4% | 2.4% | -7.6% |
| 28. 2.1% | -40.0% | 2.3% | 2.3% | -7.7% |

Instructions for Calculating a Residential Homestead Property Tax:

D. Market Value of Residential Homestead

Assumes that the Pay 2017 market value changed from Pay 2016 by 2.1%.
Countywide, the median change in market value from Pay 2016 to Pay 2017 is 1.1%.

E. Calculate the Homestead Market Value Exclusion

40% of the first 76,000 of market value (D), reduced by 9% on the market value over 76,000
The exclusion decreases as the market value over 76,000 increases, until a 413,300 home receives 0 exclusion.

F. Calculate Taxable Market Value

Market Value before Exclusion (D) - Homestead Market Value Exclusion (E).

G. Calculate the Net Tax Capacity of a Residential Homestead

Pay 2016: 1st 500,000 of (F) Taxable Market Value @ 1.00%, remainder @ 1.25%
Pay 2017: 1st 500,000 of (F) Taxable Market Value @ 1.00%, remainder @ 1.25%

H. Calculate the Taxing District's portion of the Tax

Pay 2016: multiply the Pay 2016 net tax capacity (G) by the Pay 2016 tax capacity local tax rate (A7), plus
multiply the Pay 2016 market value before exclusion (D) by the Pay 2016 market value tax rate (A12)
Pay 2017: multiply the Pay 2017 net tax capacity (G) by the Pay 2017 tax capacity local tax rate (B7) , plus
multiply the Pay 2017 market value before exclusion (D) by the Pay 2017 market value tax rate (B12)

19-23. Line 19 will default to the median residential homestead value for the taxing authority for taxes payable in 2016.

24-28. Calculate the % increase/decrease from 2016 to 2017

$(2017 - 2016) / 2016$

There is no longer a homestead credit. The **market value homestead credit** was eliminated starting with taxes payable in 2012 and was replaced with a **market value exclusion** for homestead property.