



# 2017 Town Hall Budget Meeting

October 12, 2016

# Tonight's Meeting

- ▶ Preliminary Budget and Tax Levy
- ▶ Questions
- ▶ Adjourn (7:00 - 7:15)



# Staff

- ▶ Frank Boyles - City Manager
- ▶ Lori Olson – Asst. City Manager
- ▶ Mark Elliott – Police Chief
- ▶ Katy Gehler – Public Works
- ▶ Doug Hartman – Fire Chief
- ▶ Larry Poppler – City Engineer
- ▶ Dan Rogness – Comm./Econ. Dev.
- ▶ Don Uram – Finance



# Current Status

- ▶ On September 26, the City Council adopted:
  - ▶ Preliminary General Fund expenditure budget of \$13,097,917 - an increase of 0.69% over the amended 2016 budget.
  - ▶ Preliminary property tax levy for pay 2017 for all funds of \$11,646,917 - an increase of 5.13% over 2016.



# 2017 Budgets

- ▶ Tax Supported Funds
  - ▶ General
  - ▶ Debt Service
  - ▶ Revolving Equipment
  - ▶ Revolving Park Equipment
  - ▶ Facilities
  - ▶ Economic Development Authority



# 2017 Property Tax Levy Comparison

| Property Taxes                     | 2016          | 2017          | Change 15 - 16 |         |
|------------------------------------|---------------|---------------|----------------|---------|
|                                    |               |               | Amount         | Percent |
| Lewy - Tax Capacity                |               |               |                |         |
| General Fund - Operating           | \$ 7,172,792  | \$ 7,271,555  | \$ 98,763      | 1.38%   |
| Debt Service Funds                 | 2,340,850     | 2,628,937     | 288,087        | 12.31%  |
| Revolving Equipment Fund           | 325,000       | 375,000       | 50,000         | 15.38%  |
| Revolving Park Equipment Fund      | -             | 213,406       | 213,406        | n/a     |
| Facilities Management Fund         | -             | -             | -              | n/a     |
|                                    | \$ 9,838,642  | \$ 10,488,898 | \$ 650,256     | 6.61%   |
| Lewy - Market Value - General Fund | 1,084,719     | 1,018,020     | (66,699)       | -6.15%  |
| Lewy - Economic Dev Authority      | 155,000       | 140,000       | (15,000)       | -9.68%  |
|                                    |               |               |                |         |
| Total Levy                         | \$ 11,078,361 | \$ 11,646,918 | \$ 568,557     | 5.13%   |

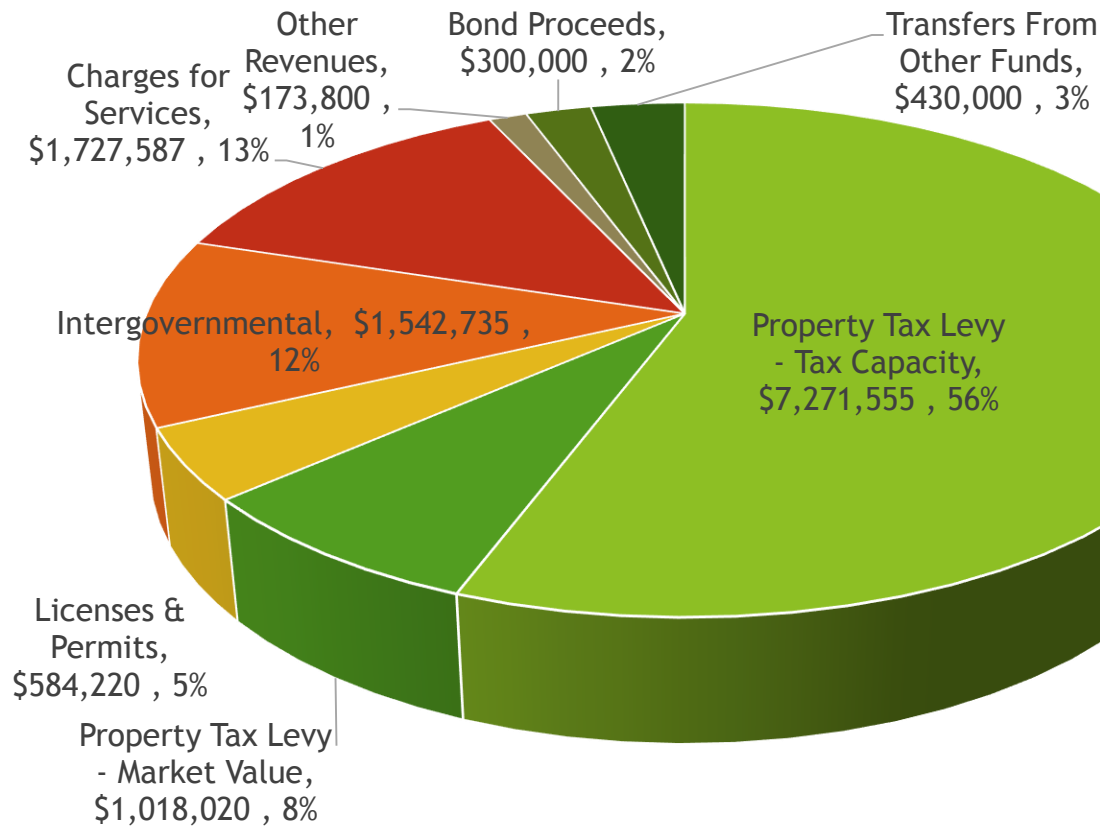
# General Fund

|              | 2016<br>Amended<br>Budget | 2017<br>Proposed<br>Budget | \$<br>Change | %<br>Change |
|--------------|---------------------------|----------------------------|--------------|-------------|
| Revenues     | 12,775,738                | 13,047,917                 | 272,179      | 2.13        |
| Expenditures | 13,008,738                | 13,097,917                 | 89,179       | 0.69        |
| Difference   | 233,333*                  | 50,000*                    |              |             |

\*Use of Reserves

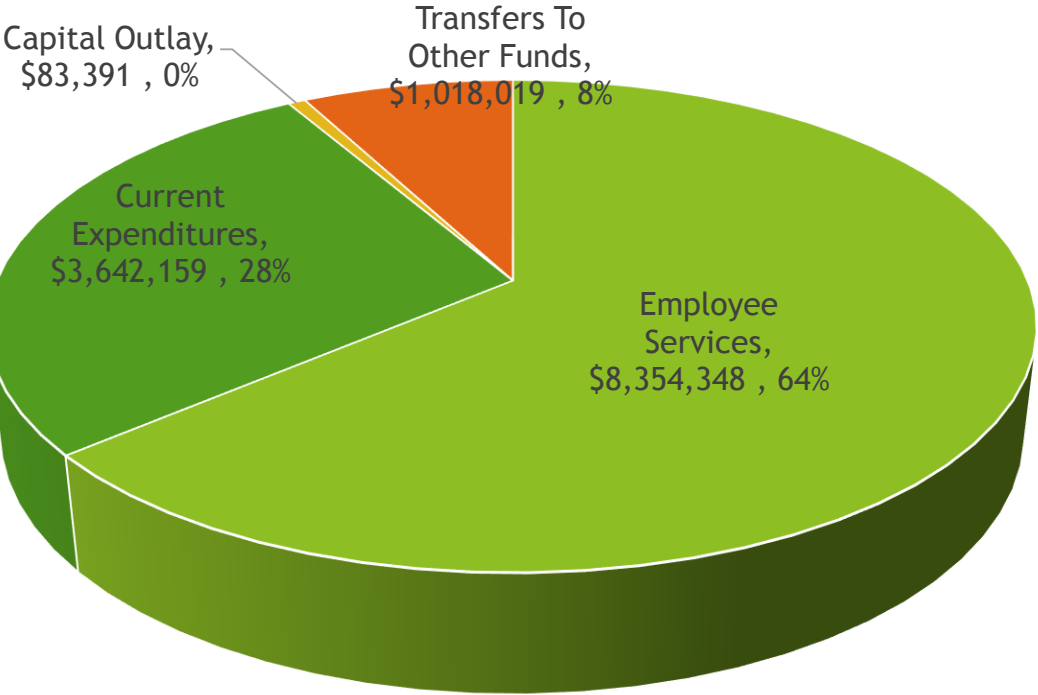


# G. F. Revenues





# G. F. Expenditures



# Service Challenges

- ▶ Proactive Policing
- ▶ Transportation Projects
- ▶ Aging Fleet impact to operations
- ▶ Parks, trails and natural area maintenance
- ▶ Technology Replacement
- ▶ EAB
- ▶ Personnel Costs



# Pay 2017 Preliminary Property Values

- ▶ EMV - \$3.65B (+3.2%)
  - ▶ Residential - \$2.73B (+2.74%)
  - ▶ New Construction - \$44.7M (-13.2%)
- ▶ TMV - \$2.94B (+3.34%)
- ▶ Median Value Home - \$266,900 (+4.0%)
- ▶ Average Value Home - \$307,300 (+1.7%)



# Property Tax Impacts

| 2016 Value | City Tax | 2017 Value | City Tax | \$ Dif. | % Dif. |
|------------|----------|------------|----------|---------|--------|
| \$302,200  | \$1,047  | \$307,300  | \$1,085  | \$38    | 3.6%   |
| \$600,000  | \$2,223  | \$615,000  | \$2,329  | \$106   | 4.8%   |



# Tax Levy and Budget Schedule

- ▶ Nov. 14 - Budget Work Session
- ▶ Nov. 28 - Public Budget meeting
- ▶ Dec. 12 - Adopt Final Tax Levy and Budget





# Questions



# Additional Information

# City Growth

| Indicator            | 2008                      | 2015                         | % Change |
|----------------------|---------------------------|------------------------------|----------|
| Population           | 22,431                    | 25,049                       | 11.7%    |
| Dwelling Units       | 8,301                     | 9,180                        | 10.6%    |
| Water/Sewer Accounts | 7,581                     | 8,636                        | 13.9%    |
| Building Permits     | 1,472                     | 2,195                        | 49.1%    |
| No. of Parks         | 49                        | 51                           | 4.1%     |
| Acres of Parkland    | 1,029                     | 1,057                        | 2.7%     |
| Street Miles         | 102.2                     | 113.83                       | 11.4%    |
| Police Calls         | 10,544                    | 11,810                       | 12%      |
| Fire Calls           | 406 <small>(2009)</small> | 454                          | 11.8%    |
| Staff (all funds)    | 149.24                    | 154.3* <small>(2016)</small> | 3.4%     |

\*Includes 4 additional volunteer firefighters (45 total)





# General Fund

- ▶ Cost Components
  - ▶ Personnel - \$8.35M (63.8%)
  - ▶ Current Expenditures - \$3.64M (27.8%)
  - ▶ Capital Outlay - \$83.4k (<1%)
  - ▶ Transfer Out - 1.02M (7.8%)
- ▶ Increase - \$89,178



# General Fund

- ▶ Revenues - \$13.05M
  - ▶ Property Taxes - \$8.3M (63.5%)
  - ▶ Charges for Services - \$1.7M (13.2%)
  - ▶ Intergovernmental - \$1.5M (11.8%)
- ▶ Expenditures - \$13.1M
  - ▶ Police - \$3.7M (28.5%)
  - ▶ Street - \$1.4M (10.7%)
  - ▶ Parks - \$ 1.4M (9.9%)



# Economic Development Authority

- ▶ 2017 Budget - \$160,825
  - ▶ Preliminary Tax Levy - \$140,000
  - ▶ Tech Village Rent - \$8,500
  - ▶ Use of Fund Balance - \$9,825

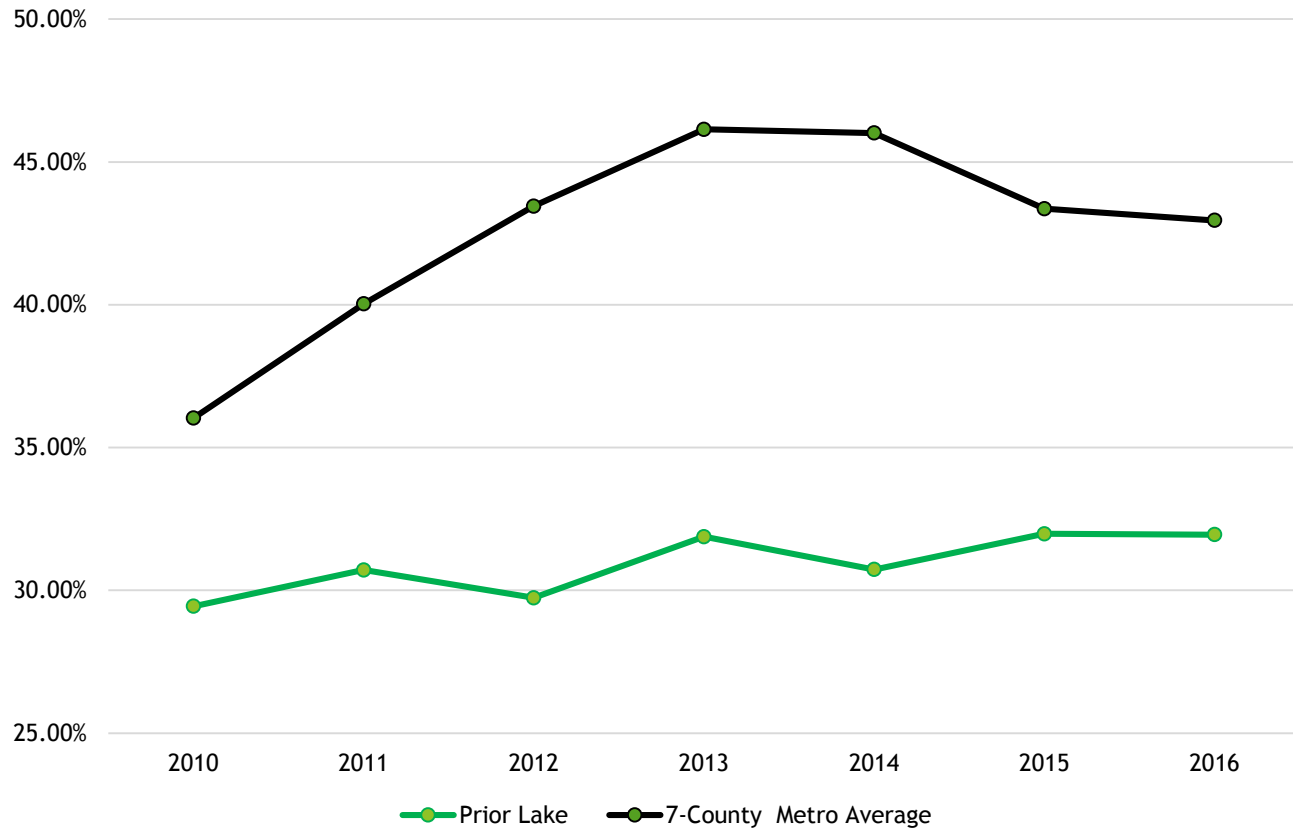


# Budget Objectives/ Metrics

- ▶ Bond Rating - Maintain/improve current S&P Rating (AA+)
  - ▶ One of 48 cities rated AA+ or higher out of 289 S&P rated MN cities
- ▶ General Fund Reserves - 40% to 50%
  - ▶ 2015 Year End - 47%
- ▶ Property Tax Rank - Maintain/improve
- ▶ Property Taxes/HH - Growth plus inflation
- ▶ G.F. Expenditures/HH - Growth plus inflation

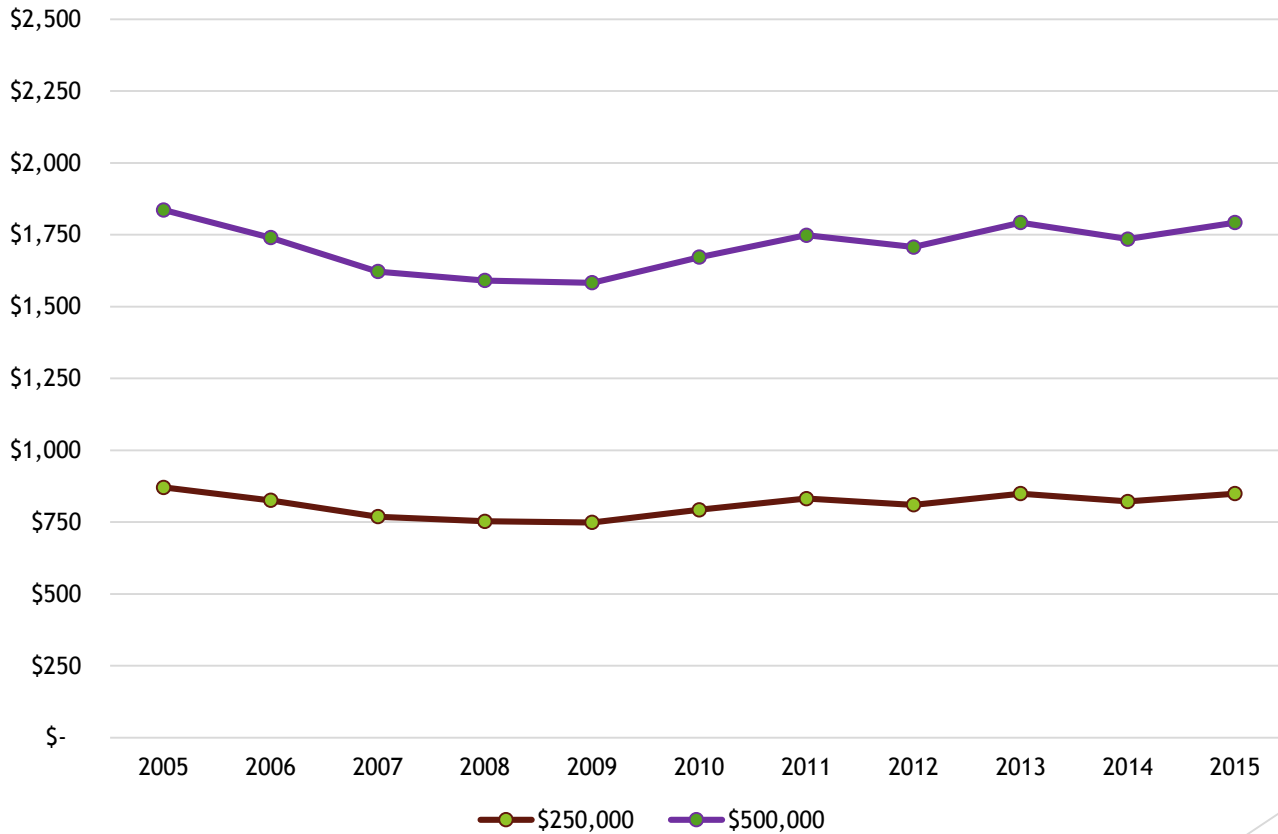


# City Tax Capacity Rate\*



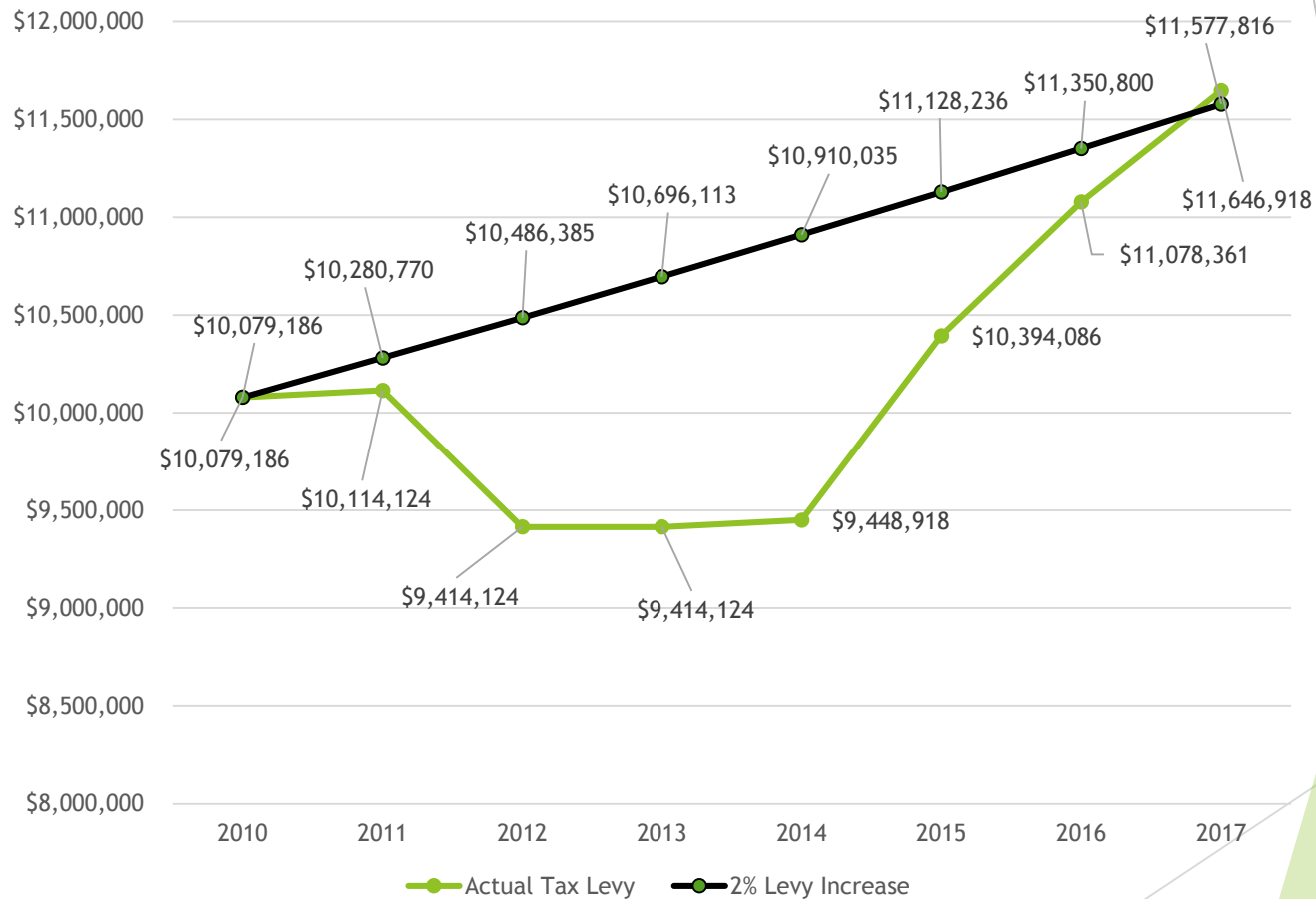
\*City Levy/Tax Capacity = Tax Rate

# City Tax 2005 - 2015

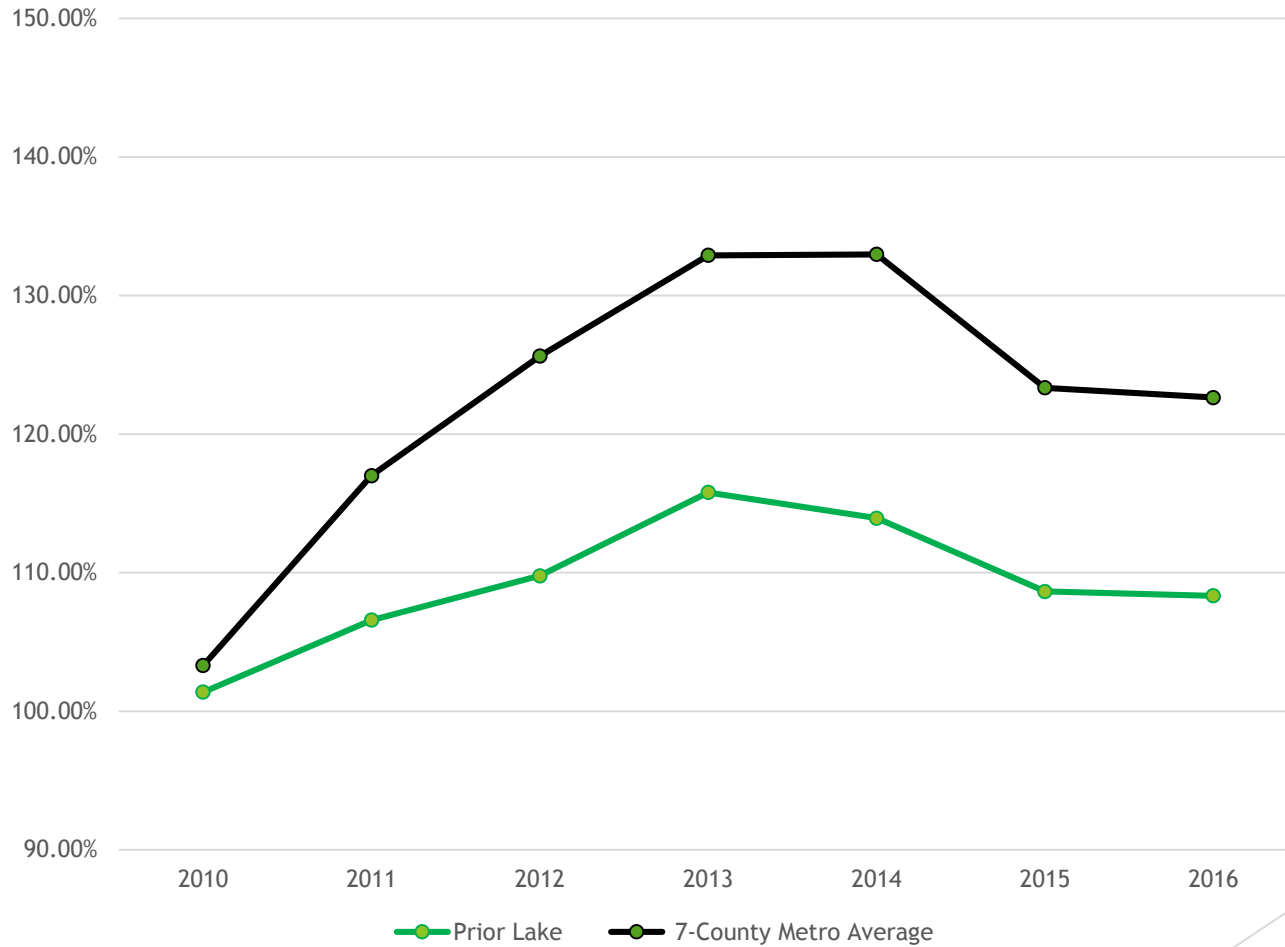


Source: League of MN Cities

# Tax Levy – 2010 to 2017



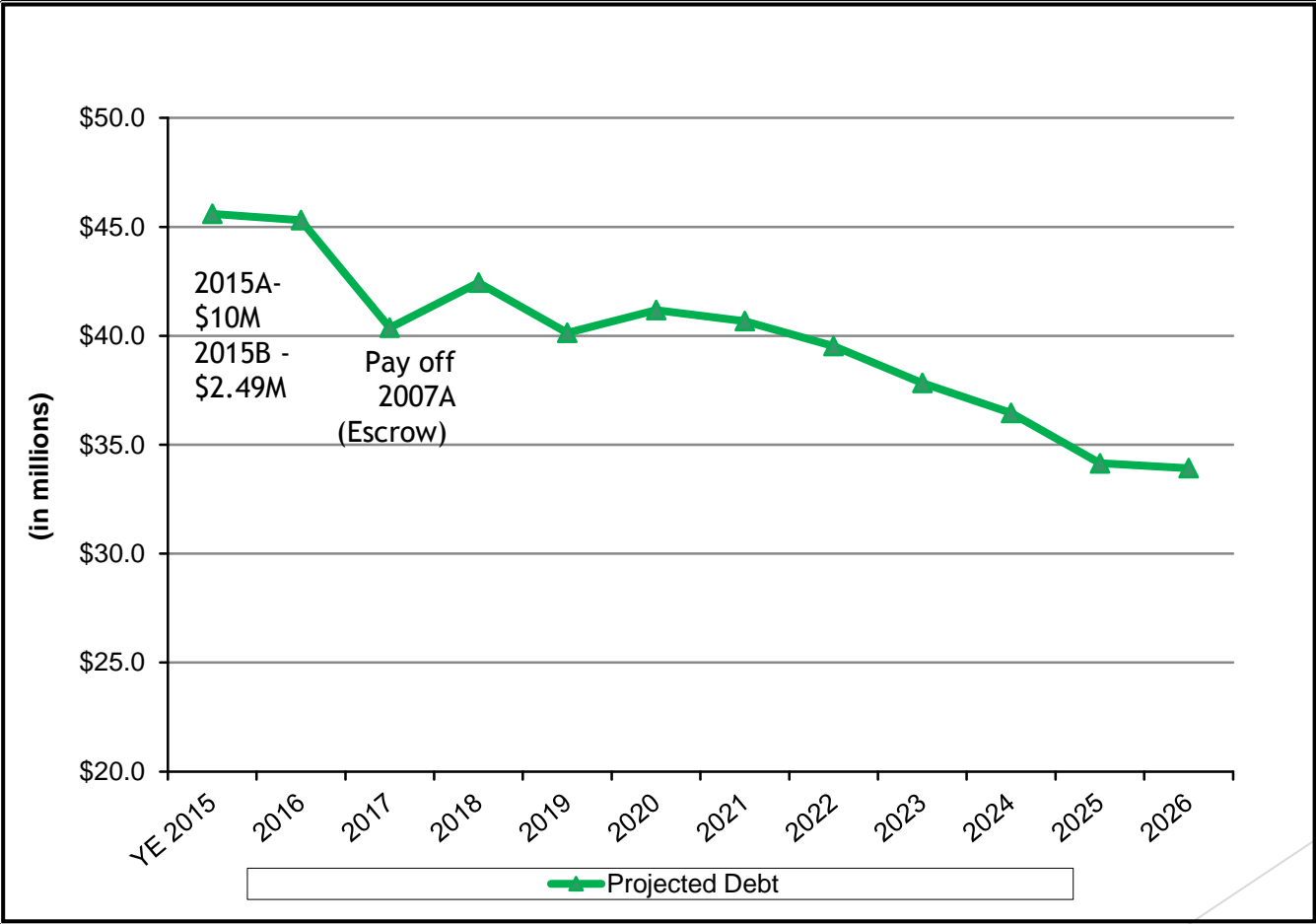
# Total Tax Capacity Rate\*



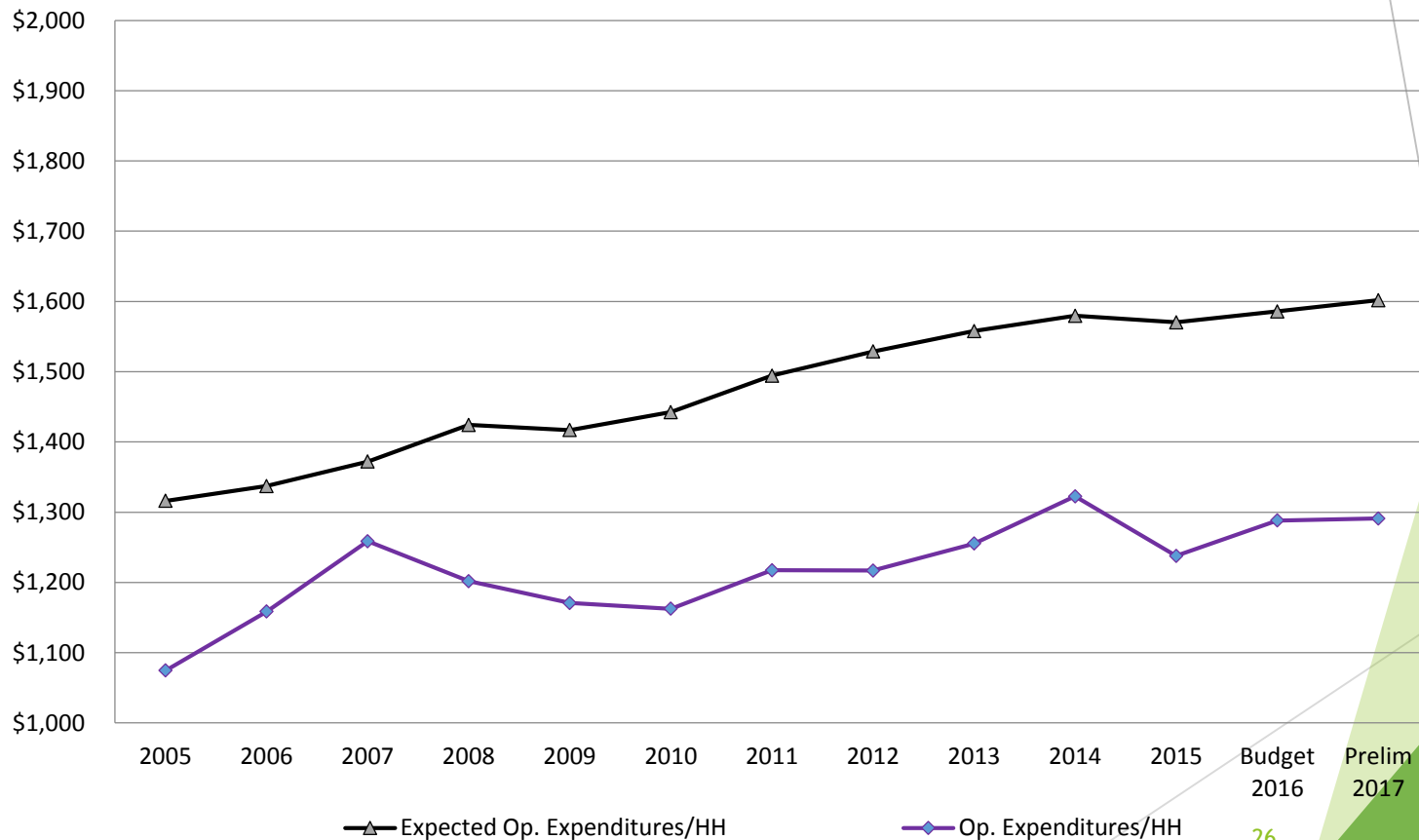
\*City, County, School, and Special Districts



# Projected Debt Balances



# G.F. Operating Expenditures Per Household



# Property Tax Levy Per Household

