

City of New Brighton

Public Hearing

Proposed 2015 Budget & Tax Levies

December 2nd, 2014, 6:30 p.m.



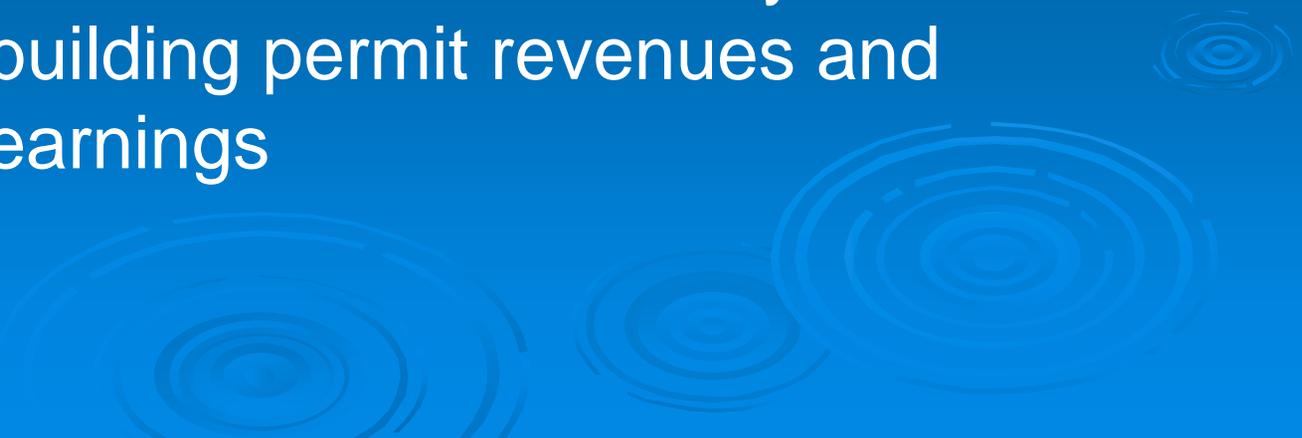
Purpose of the Budget Hearing

- To provide information on the upcoming year's budget and tax levy
 - To provide citizens an opportunity to express their views on those impacts
 - Tonight's presentation will focus on the City portion of your property tax bill.
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Goals of the Budget

- Provide those services that are desired by the community
- Provide services to the community in the most cost effective manner
- Maintain the delivery of high quality services
- Plan for the future of the community
- Provide for City's infrastructure & capital needs
- Ensure the City's long-term financial stability

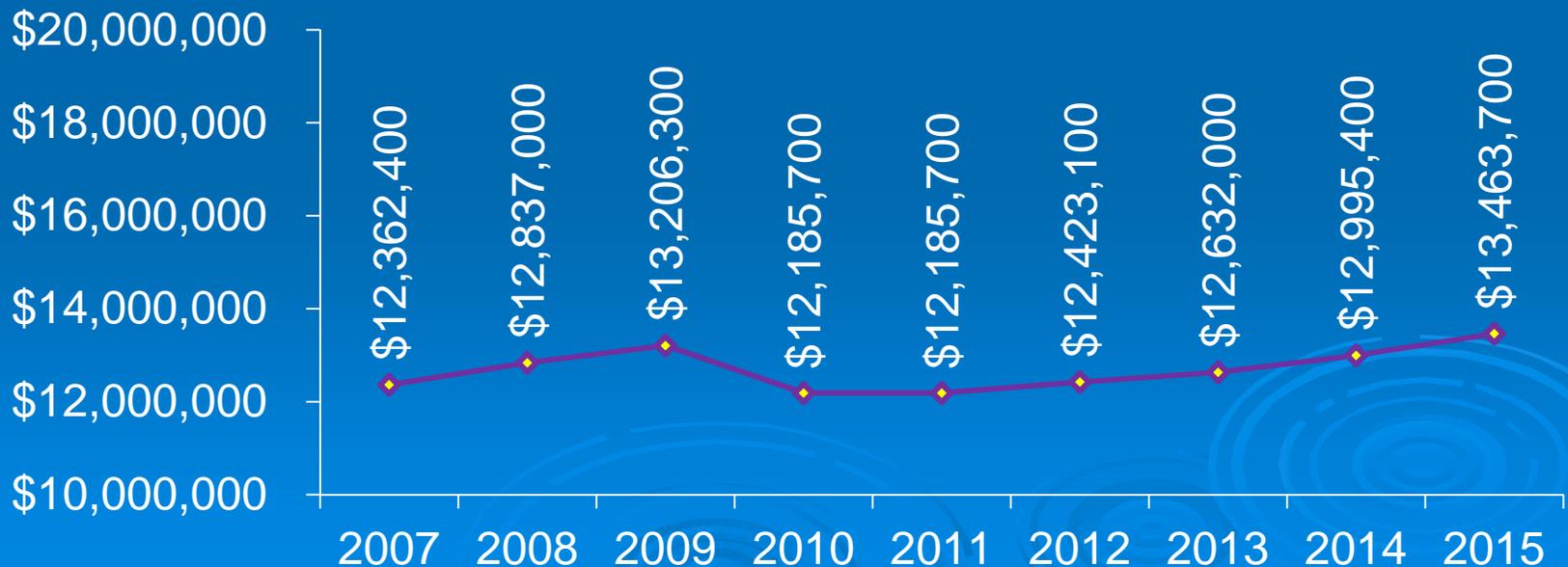
Budget Overview

- Minimize tax levy while still meeting citizens' needs and budget goals
 - Some factors are beyond our control, e.g. State mandates, elections, fuel and utilities
 - Some expenditures are due to City's choices, policies, and changing environment, e.g. debt service payments and union contracts
 - Current economic conditions heavily influence anticipated building permit revenues and investment earnings
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General Fund Expenditures

- Proposed 2015 Budget = \$13,463,700
- Adopted 2014 Budget = \$12,995,400
- 3.60% or \$468,300 increase from 2014

General Fund Adopted Budget History



Changes from 2014 to 2015

➤ General Fund Expenditures:

- Personnel
 - Police and Sergeant union budgeted:
 - 2% Cost of Living Adjustment (COLA)
 - Programmed salary steps implemented
 - Maintenance union budgeted:
 - 2% Cost of Living Adjustment (COLA)
 - Programmed salary steps implemented

Changes from 2014 to 2015

➤ Expenditures (continued):

- Personnel

- Non union budgeted:

- 2% Cost of Living Adjustment (COLA)
- Programmed salary steps implemented
- Public Safety Office Technician increase from .5 FTE to 1 FTE
- 4 Parks & Recreation part-time positions increase from .75 FTE to 1 FTE

Changes from 2014 to 2015

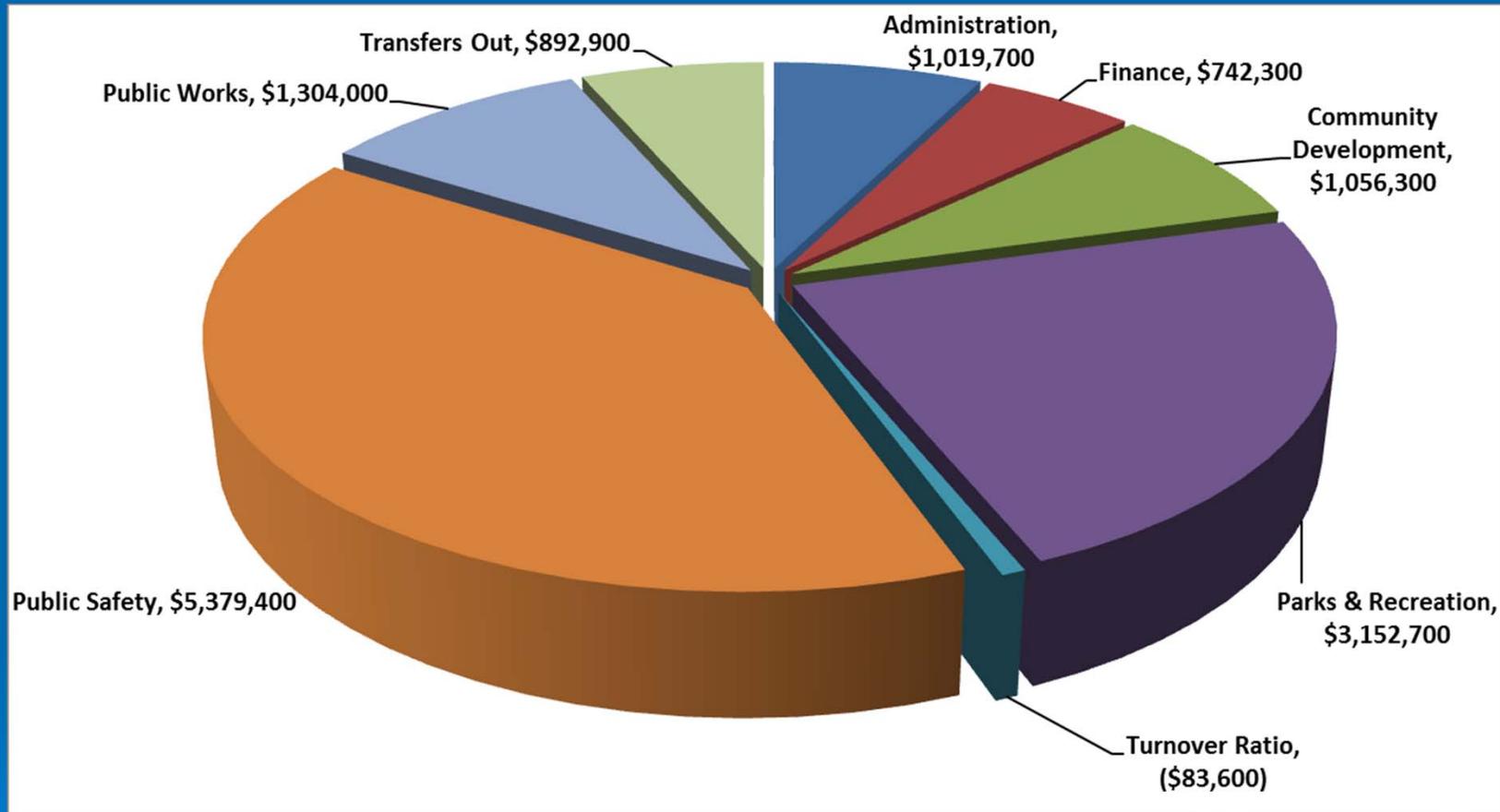
➤ Expenditures (continued):

- Personnel

- A 1% turnover ratio was implemented to decrease budgeted wages while positions are vacant and waiting to be filled

- Transfers out to debt service funds decreased 16.5% due to one expiring bond.

2015 General Fund Expenditures

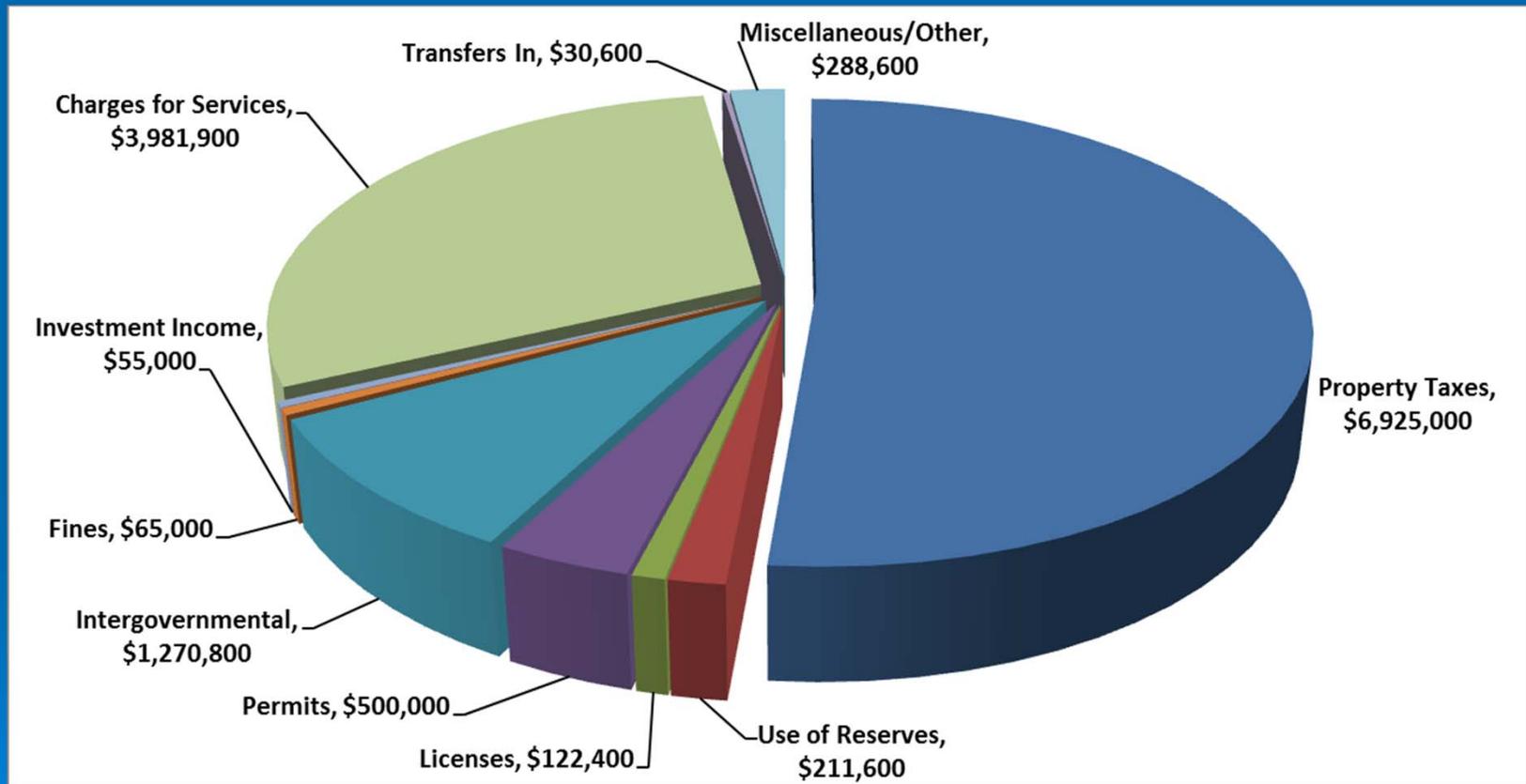


Changes from 2014 to 2015

➤ Non-Property Tax Revenues:

- Building permit revenues are anticipated to increase by \$49,100
- Revenues from the Community Center are expected to increase by \$24,700
- Administrative fees charged to projects are projected to increase by \$45,000
- Local Government Aid increased by \$61,300
- Fire state aid increased by \$38,000

2015 General Fund Revenues



General Fund Summary

	Amended Budget <u>2014</u>	Proposed Budget <u>2015</u>	% <u>Change</u>
Expenditures	\$13,201,600	\$13,463,700	1.99%
Non-tax revenues (Less LGA)	<u>(5,914,200)</u>	<u>(5,984,300)</u>	1.19%
Tax Levy w/o LGA	7,287,400	7,479,400	2.63%
LGA	(493,100)	(554,400)	12.43%
Property Tax Levy	\$6,794,300	\$6,925,000	1.92%

2015 Proposed Tax Levy

- Proposed 2015 Levy - \$6,925,000
- Adopted 2014 Levy - \$6,794,300
- Adopted 2013 Levy - \$7,287,300

- Increase of \$130,700 from 2014

Property Values

- New Brighton's total value for local tax rate increased from \$19,851,738 for payable 2014, to \$20,838,890 or by (4.97%).
- Taxable value of median value single family property increased 6.2%, from \$197,000 to \$209,200

How City Property Taxes Are Calculated

Estimated Market Value	\$209,200
(Ramsey County – City’s SFH median value)	
Less HMVE (State)	(18,412)
Taxable Market Value	190,788
Property’s class rate (State)	x 1%
Tax capacity	= 1,908
Est. Tax rate (proposed 2015)	x 36.21%
(determined by City’s tax levy divided by its total taxable market value)	
Estimated Pay 2015 City taxes	= \$691

Median Valued SFH Comparison

	<u>2014</u>	<u>2015</u>
Market Value	\$197,000	\$209,200
Est. Tax Rate	38.32%	36.21%
Est. City Tax	\$680	\$691

Increase of \$11



In exchange for \$691 a year, residents receive:

- 24x7x365 police, fire, & emergency protection
 - Well maintained city streets
 - Full offering of park amenities
 - Sidewalk and pathway connections
 - Professionally managed administrative, financial, and legal functions
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Storm Sewer Improvement Taxing District

- Improvements were requested by property owners surrounding Lake Diane and Bicentennial Pond
- These same property owners will pay tax levies
- Lake Diane - 2015 proposed \$3,750, an increase of \$1,500 from 2014
- Bicentennial Pond - 2015 proposed \$2,100, the same as in 2014

Long-Term Financial Plan

- “Smooth out” tax levies; avoid erratic, unpredictable trends
 - Continue to follow Fund Balance Policy in regards to the “reserve” funds
 - Long-term financial plan includes replenishing the reserve funds
 - Long-term financial plan is implemented one year at a time: the annual budget
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Next Steps...

- City Council determines if there will be any further adjustments
- City Council approves the final 2015 Tax Levies & Budgets on Tuesday, December 9th at their regular business meeting starting at 6:30 p.m. in the Council Chambers

Question & Comments

The public is invited to address the
City Council with their questions
and comments



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