

City of New Brighton

Public Hearing on the Proposed 2013 Budget & Tax Levies

December 4th, 2012, 6:30 p.m.

Purpose of the Budget Hearing

- Discuss the proposed 2013 budget
- Inform taxpayers of the proposed 2013 property tax levies
- Request public comment on the 2013 propose budget and tax levies

Goals of the Budget

- Provide those services that are desired by the community
- Provide services to community in 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, fuels 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

General Fund Expenditures

- Proposed 2013 Budget = \$12,609,900
- Amended 2012 Budget = \$12,458,100
- Amended 2011 Budget = \$12,195,700
- Amended 2010 Budget = \$12,616,700
- 1.22% increase from 2012 to 2013
- \$151,800 increase from 2012 to 2013
- 0.05% or \$6,800 **decrease** from 2010 to 2013

Changes from 2012 to 2013

➤ General Fund Expenditures:

- Personnel
 - Police and Sergeant unions 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 2012 to 2013

- Expenditures (continued):
 - Personnel
 - Non-union budgeted:
 - 1% Cost of Living Adjustment (COLA)
 - No programmed salary steps to be implemented
 - Election judges to decrease by \$10,000; a lower voter turnout is expected for local elections

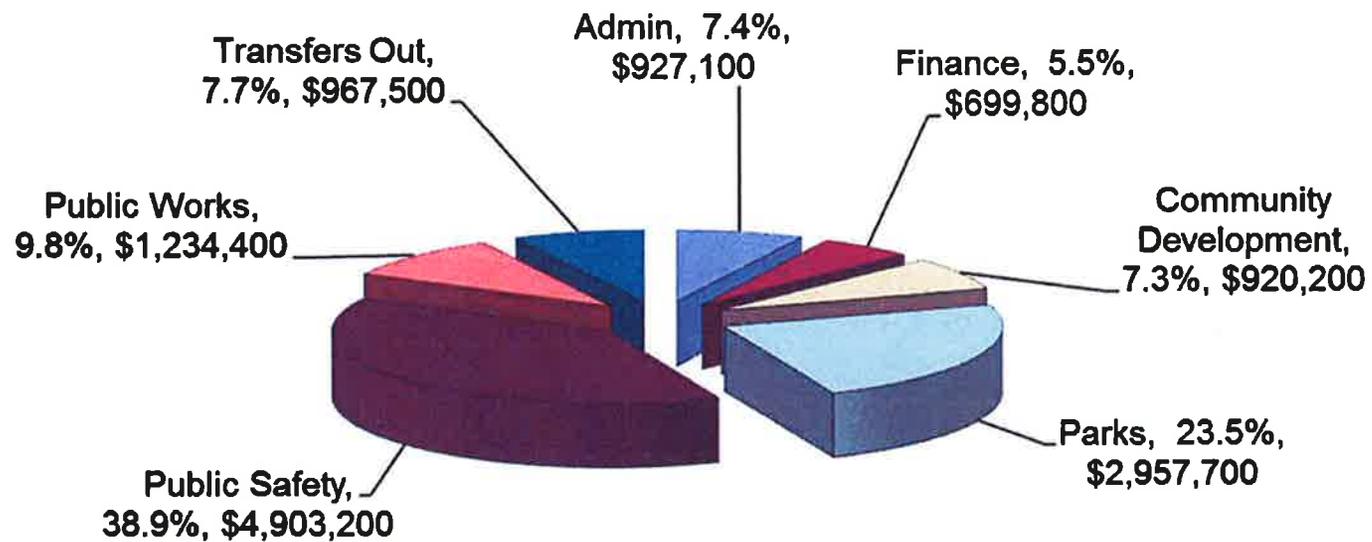
Changes from 2012 to 2013

- Expenditures (continued):
 - Personnel
 - New position in Parks was recommended and considered; Council will experiment with outsourcing mowing of parks and snowplowing of parking lots
 - Community survey recommended for \$20,000 will be paid for with 2012 operating surplus from the General Fund

Changes from 2012 to 2013

- Expenditures (continued):
 - Fall clean-up day event added - \$9,300
 - Emerald Ash Borer (EAB) eradication program financed with transfer in from Community Reinvestment Fund - \$53,800

2013 General Fund Expenditures



Changes from 2012 to 2013

➤ General Fund Revenues:

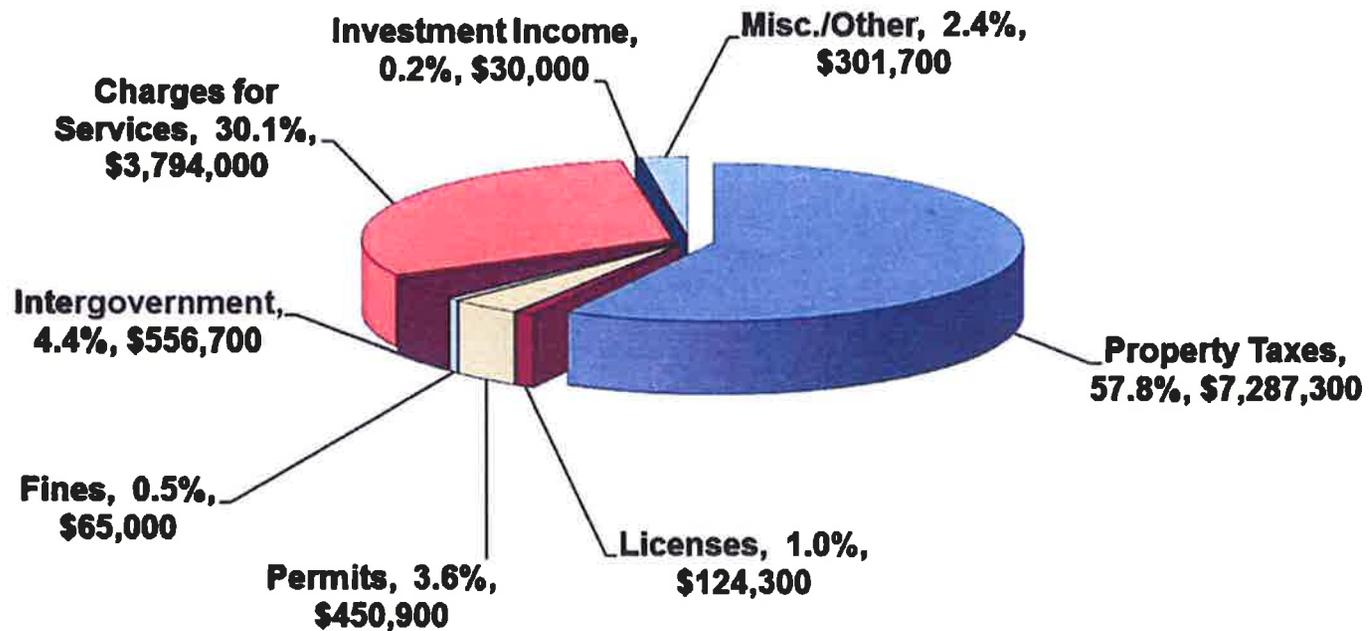
- Building permits increase of \$82,400
- Forestry – transfer in from Community Reinvestment Fund of \$53,800 to finance EAB program
- NBCC memberships increase of \$37,100
- Police – Mounds View School District's Area Learning Center (ALC) will no longer utilize a school resource officer; instead an officer will be assigned to the Ramsey County Drug Task force; loss of \$75,000 from ALC reimbursement

Changes from 2012 to 2013

➤ General Fund Revenues:

- Investment earnings continue to decline – decrease of \$50,000
- License Bureau – increase of \$30,000 due to State's increase to fees
- Additional transfer in from Community Reinvestment Fund to keep tax levy from increasing - \$12,400

2013 General Fund Revenues



General Fund Summary

	Amended Budget <u>2012</u>	Proposed Budget <u>2013</u>	% <u>Change</u>
Expenditures	12,458,100	12,609,900	1.22%
Non-tax revenues	<u>(5,170,800)</u>	<u>(5,322,600)</u>	2.94%
Prop tax revenues	7,287,300	7,287,300	0.00%

2013 Proposed Tax Levy

- Originally proposed 2013 Levy - \$7,356,408 (max. for 2013)
- Reduced proposed 2013 Levy by \$69,100 - \$7,287,308
- Proposed 2013 Levy is the same as 2012
- Estimated 2013 City tax rate = 41.354%
- 2012 City tax rate = 41.416%

Property Values

- New Brighton's total value for local tax rate decreased from 14,829,941 for payable 2012, to 14,420,154 or by (2.76%).
- Taxable value of median value single family property decreased 7.8%, from \$214,100 to \$197,300
- As the value of single family homes decrease, the reduction for Homestead Market Value Exclusion (HMVE) increases (if applicable)

How City Property Taxes Are Calculated

Estimated Market Value	\$197,300
(Ramsey County – City’s SFH median value)	
Less HMVE (State)	(19,500)
Taxable Market Value	177,800
Property’s class rate (State)	x 1%
Tax capacity	= 1,778
Est. Tax rate (proposed 2013)	x 41.354%
(determined by City’s tax levy divided by its total taxable market value)	
Estimated Pay 2013 City taxes	= \$735

Median Valued SFH Comparison

	<u>2012</u>	<u>2013</u>
Market Value	\$214,100	\$197,300
Est. Tax Rate	41.416%	41.354%
Est. City Tax	\$812	\$735

Decrease of \$77

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 - 2013 proposed \$2,250, the same as in 2012
- Bicentennial Pond - 2013 proposed \$2,100

Long-term Financial Plan

- “Smooth out” tax levies; avoid erratic, unpredictable trends
- Continue to follow Fund Balance Policy in regards to the “reserve” funds
- Continue to reduce taxes by using reserves to supplement annual debt service payment (\$495,431 in 2013)
- Long-term financial plan includes replenishing the reserve funds
- Long-term financial plan is implemented one year at a time: the annual budget

Next Steps...

- City Council determines if there will be any further adjustments
- City Council approves the final 2013 Tax Levies & Budgets on Tuesday, December 11th 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