

City of New Brighton

Public Hearing on the Proposed 2014 Budget & Tax Levies

December 3rd, 2013, 6:30 p.m.

Purpose of the Budget Hearing

- **Discuss the proposed 2014 budget**
- **Inform taxpayers of the proposed 2014 property tax levies**
- **Invite public comment on the proposed 2014 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**
- **Current economic conditions may influence anticipated revenues, such as building permits and investment earnings**

General Fund Expenditures

- Proposed 2014 Budget =
\$12,995,400
- Amended 2013 Budget =
\$12,925,300
- 0.54% or \$70,100 increase from
2013 to 2014

Expenditure Changes from 2013 to 2014

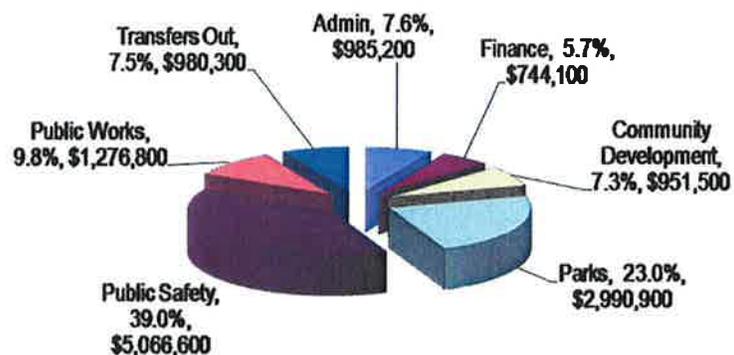
- Beginning in 2014, the City is exempt from sales and use tax for many purchases
- Exceptions
- Expected savings to 2014 Budgets:

General fund	\$48,900
All other funds	<u>42,300</u>
Total	\$91,200

Expenditure Changes from 2013 to 2014

- General Fund Expenditures:
 - 2% cost of living adjustments
 - Police and sergeant union contracts are in place for 2014
 - Maintenance workers union contract is not in place for 2014
 - Additional part-time License Bureau Clerk
 - Additional police officer to backfill elementary school resource officer

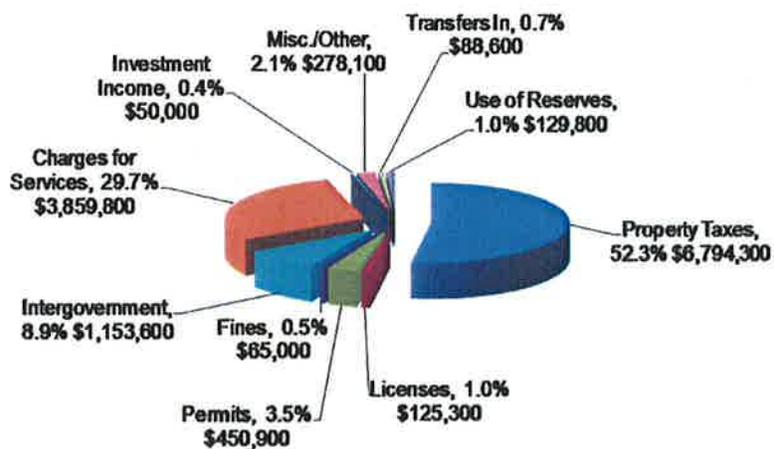
2014 General Fund Expenditures



Revenue Changes from 2013 to 2014

- Local Governmental Aid (LGA) – last received in 2003; reinstated for 2014 by the State for \$493,000
- Ramsey County VCET program increase of \$20,000
- Mounds View School District's Area Learning Center (ALC) reimbursement for school resource officer of \$81,700
- License Bureau increase of \$20,000
- Leases increase of \$41,200
- Use of reserves of \$129,800

2014 General Fund Revenues



General Fund Summary

	Proposed Budget <u>2014</u>	Amended Budget <u>2013</u>	% <u>Change</u>
Expenditures	12,995,400	12,925,300	0.54%
Non-tax revenues	<u>(6,201,100)</u>	<u>(5,638,000)</u>	9.99%
Prop tax revenues	6,794,300	7,287,300	(6.77%)

2014 Proposed Tax Levy

- Preliminary 2014 levy adopted by City Council in September was \$6,870,308
- Reduced preliminary 2014 levy by an additional \$76,000 to \$6,794,308
- Proposed 2014 levy is 6.78% less than 2013
- Estimated 2014 City tax rate = 38.319%
- 2013 City tax rate = 41.968%

Property Values

- New Brighton's total value for 2014 local tax rate increased from 14,451,074 for payable 2013, to 14,534,021 or by 0.57%.
- Taxable value of median value single family property decreased 0.15%, from \$197,300 to \$197,000
- 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	\$197,000
<small>(Ramsey County – City's SFH median value)</small>	
Less HMVE (State)	<u>(19,500)</u>
Taxable Market Value	177,500
Property's class rate (State)	x 1%
Tax capacity	= 1,775
Est. Tax rate (proposed 2014)	x 38.319%
<small>(determined by City's tax levy divided by its total taxable market value)</small>	
Estimated Pay 2014 City taxes	= \$680

Median Valued SFH Comparison

	<u>2014</u>	<u>2013</u>
Market Value	\$197,000	\$197,300
Est. Tax Rate	38.319%	41.968%
Est. City Tax	\$680	\$745

Decrease of \$65 in City taxes.

Estimated 2014 Taxes Compared to 2013

SFH Value	Est. 2014	2013	Change
\$177,300	\$598	\$655	(\$57)
246,300	886	970	(84)
295,500	1,092	1,196	(104)

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 - 2014 proposed \$2,250, the same as in 2013
- Bicentennial Pond - 2014 proposed \$2,100, the same as in 2013

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 (\$470,050 in 2014)
- 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 considers approval of the final 2014 Tax Levies & Budgets on Tuesday, December 10th at their regular business meeting starting at 6:30 p.m.**

Question & Comments

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

City of New Brighton

**Public Hearing on the
Proposed 2014 Budget & Tax
Levies**

December 3rd, 2013, 6:30 p.m.