



# 2019 Proposed Budget

September 4, 2018



# Agenda

- Budget Highlights
- Property Tax and Budget Process Review
- Tax Base
  - Taxable Market Value, Tax Capacity, Tax Levy, Tax Rate
  - Tax Impact on Homes & Businesses
  - Comparable City Tax Rates
- Proposed 2019 Budget
  - Personnel
  - Summary
  - General Fund
  - Utility Funds
  - Auxiliary Funds
  - Economic Development Funds
  - Debt Service
- Alignment with Goals & Emerging Issues

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# Budget Highlights

- North Mankato is growing
  - 8% increase in market value ~89 million
    - New construction ~14 million (16% of increase)
    - Annexations ~1 million (1% increase)
    - Value increases account for balance
- Tax rate to decrease 0.5% to 51.6%
  - \$600K in new taxes to be captured

# Budget Highlights, cont.

- Revenue highlights – Overall decrease of \$1.22M
  - General Fund – 691K Increase:
    - Property Taxes ----- \$611,000
    - Franchise fees collections ----- \$72,000
    - Gambling taxes collections ----- \$9,500
    - Rental license fee collections ----- \$14,000
    - Building permit collections ----- \$27,000
    - LGA increase ----- \$30,000
    - Miscellaneous ----- \$17,000
    - Transfers (2018 one time CCTV) ----- (\$89,000)

# Budget Highlights, cont.

- Revenue highlights, cont.

- Utility Funds – \$399K increase

- Water Utility collections ----- \$45,000
    - Water Fund interest collections ----- \$49,000
    - Wastewater Utility collections ----- \$35,000
    - Wastewater interest collections ----- \$9,000
    - Solid Waste Utility collections ----- \$6,000
    - Recycling Utility collections and facility rent - \$65,000
    - Recycling Transfer from D/S ----- \$30,000
    - Storm Water Utility collections ----- \$9,000
    - Storm Water One-time Transfer from D/S --- \$150,000

# Budget Highlights, cont.

- Revenue highlights, cont.
  - Capital Facilities Fund transfer ----- \$250,000
  - Joint Econ Dev. Fund transfer ----- \$250,000
  - CDBG Fund activity ----- (\$67,000)
  - Debt Service Fund assessments ----- (\$56,000)
  - Debt Service tax levy ----- (\$23,000)
  - Construction Fund Bond Proceeds -- (\$2,670,000)

# Budget Highlights, cont.

- Expenditure highlights – Overall increase of \$992K
  - 2010C Refunding Payment Increase ----- \$400,000
  - Facilities Replacement ----- \$250,000
  - New Street Employee ----- \$80,000
  - Employee Merit Pool (3%) ----- \$63,000
  - Temp. Labor - Parks & Fire Dept. Rental Insp. -- \$53,000
  - Parks Plan Budget Increase ----- \$50,000
  - Health Insurance Increase (7%) ----- \$46,000
  - Swim Facility Operations ----- \$30,000
  - Pavement Management Plan Increase ----- \$20,000



# Budget Highlights, cont.

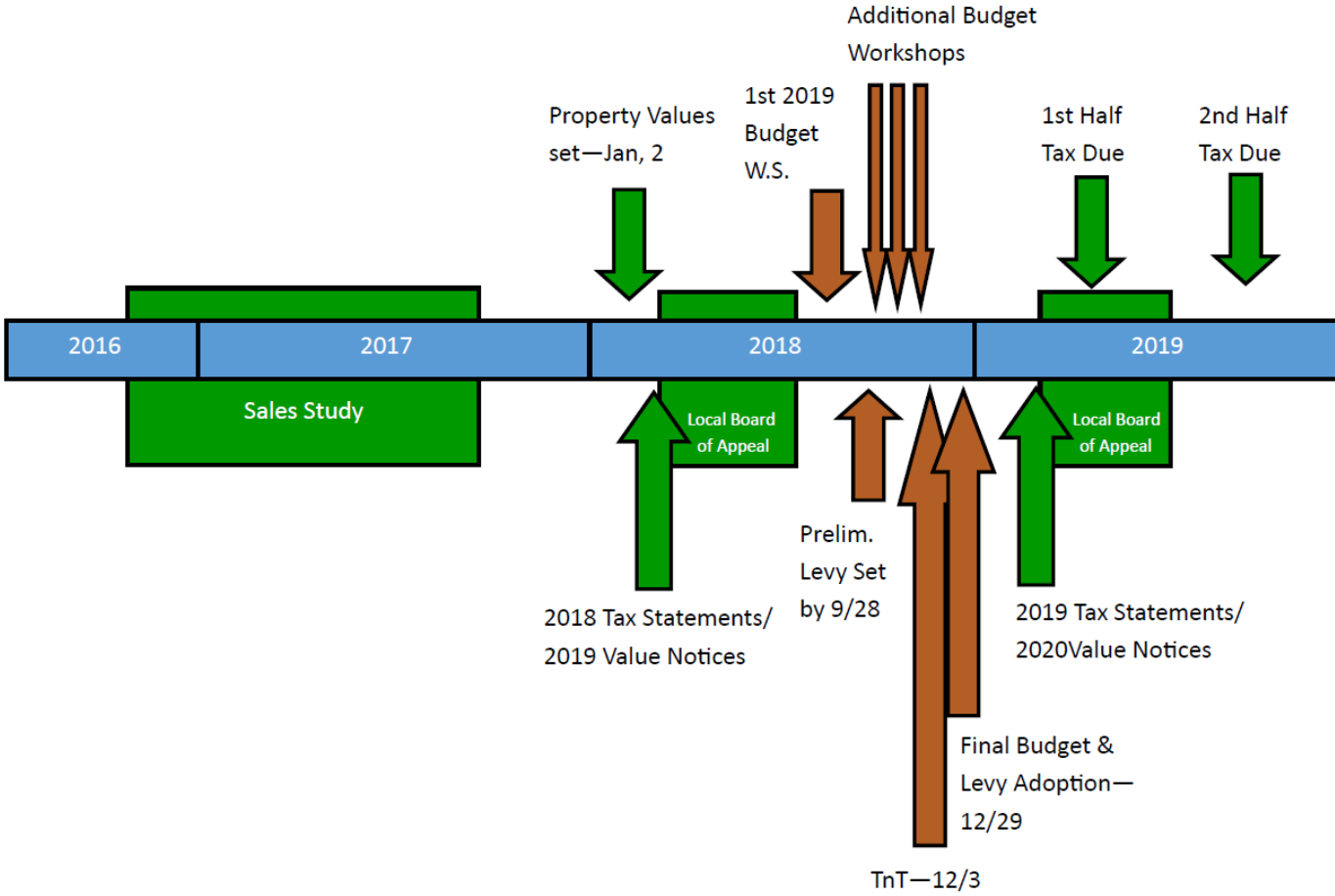
- All funds meet budget reserve policies as established by the City Council
- No new FTEs for 2019, but includes new street and police employees approved in 2018 being added to budget moving forward
- Utility Rates
  - Recycling rate increases

All sizes - \$1.00/month

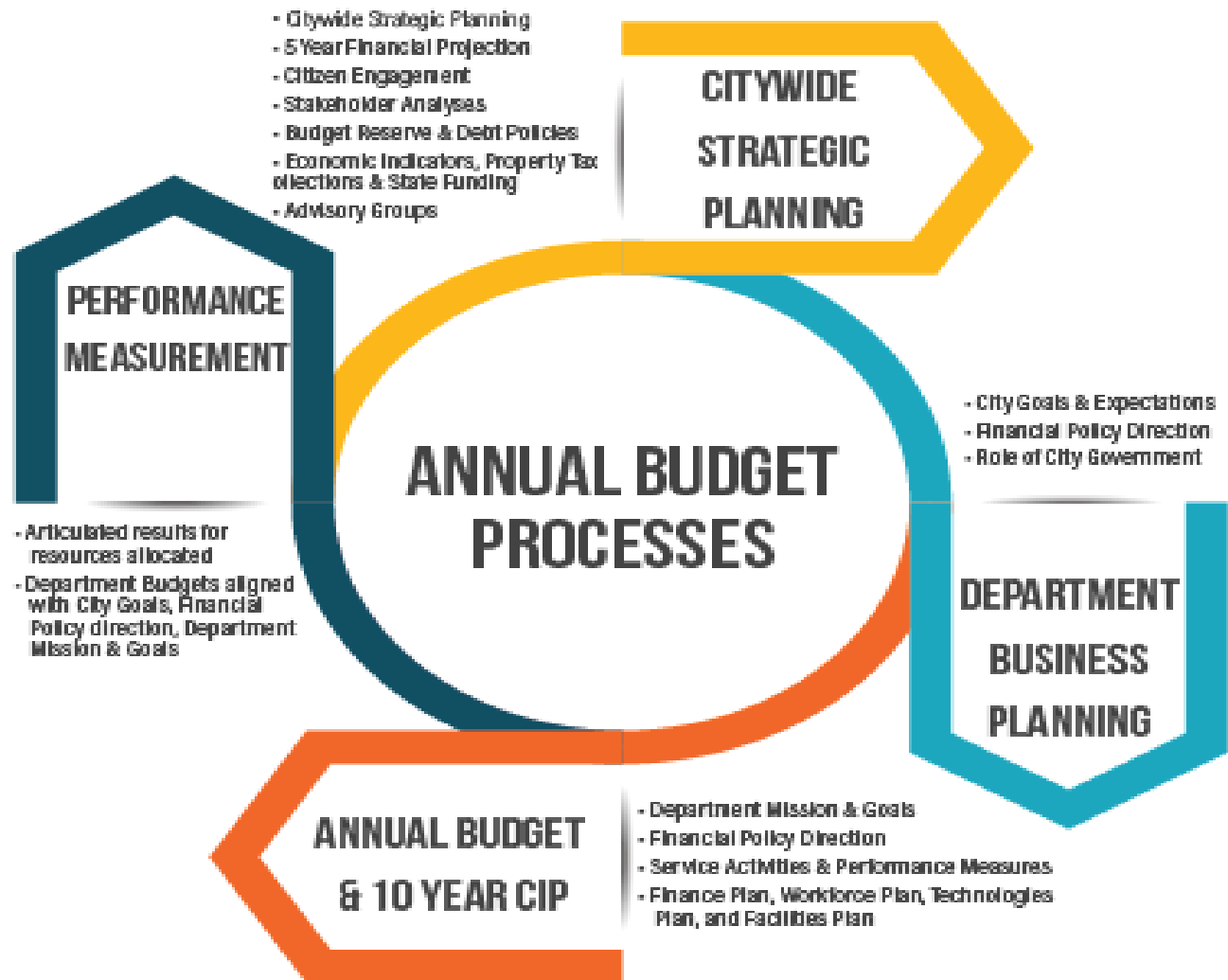
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# Property Tax and Budget Process Timeline



# Property Tax and Budget Process Timeline, cont.



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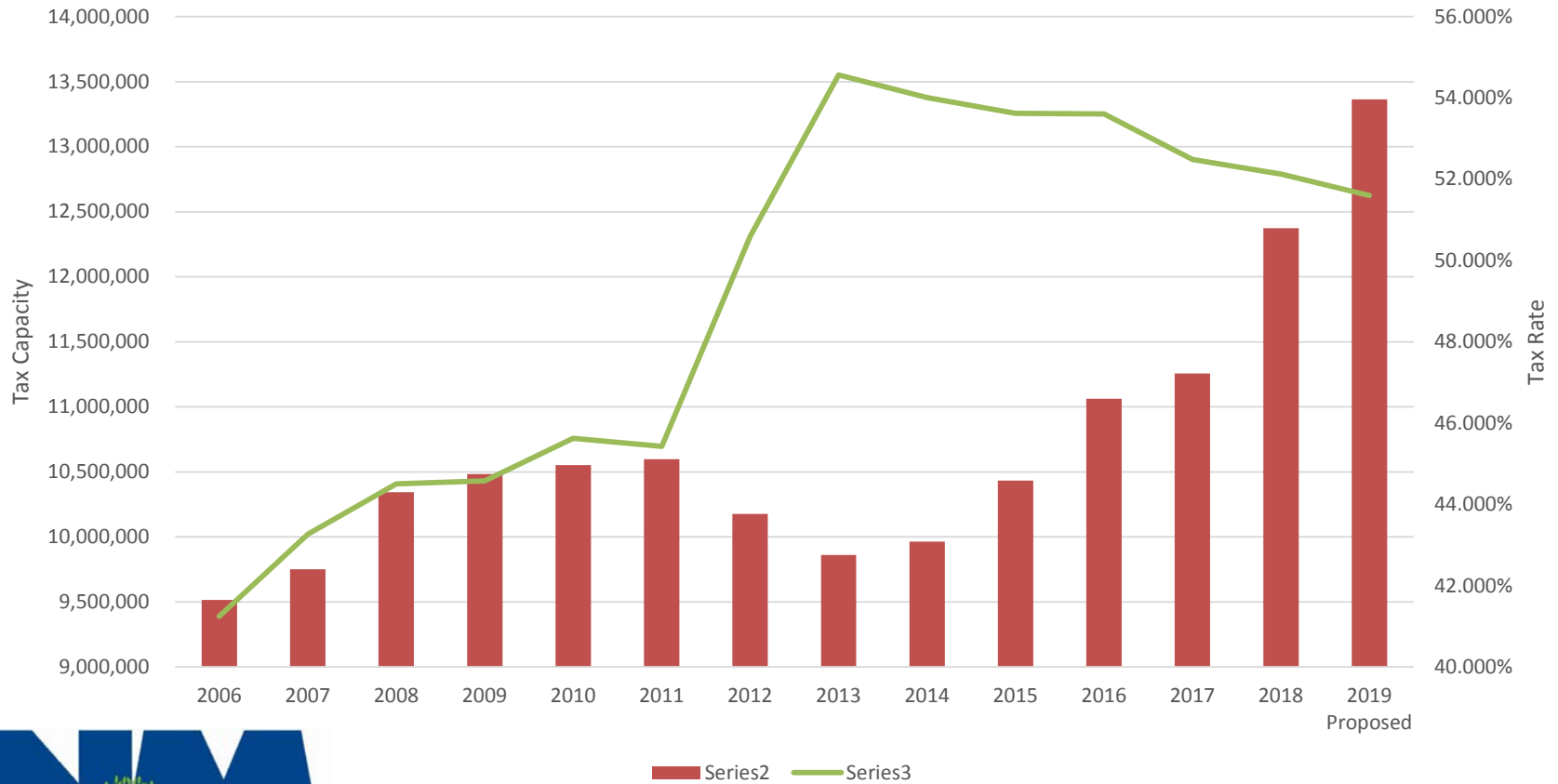
# Taxable Market Value, Tax Capacity, Property Tax levy and Tax Rate

| Tax Payble Year (1) | Est.Market Value | Total Tax Capacity | Change in Tax Capacity | Total Levy | Tax Rate |
|---------------------|------------------|--------------------|------------------------|------------|----------|
| 2011                | 915,774,000      | 10,598,032         | 0.4%                   | 4,814,154  | 45.425%  |
| 2012                | 950,583,400      | 10,177,574         | -4.0%                  | 5,152,123  | 50.598%  |
| 2013                | 925,270,700      | 9,861,666          | -3.1%                  | 5,383,784  | 54.566%  |
| 2014                | 933,833,600      | 9,963,464          | 1.0%                   | 5,383,784  | 54.009%  |
| 2015                | 983,644,400      | 10,432,202         | 4.7%                   | 5,596,414  | 53.620%  |
| 2016                | 1,013,909,400    | 11,062,061         | 6.0%                   | 5,794,404  | 53.606%  |
| 2017                | 1,046,173,100    | 11,255,834         | 1.8%                   | 5,910,292  | 52.485%  |
| 2018                | 1,110,030,400    | 12,373,308         | 9.9%                   | 6,288,751  | 52.124%  |
| 2019 Proposed       | 1,199,141,100    | 13,363,173         | 8.0%                   | 6,895,397  | 51.600%  |
| 2020 Est.           | 1,223,123,922    | 13,630,436         | 2.0%                   | 7,033,305  | 51.600%  |

# Tax Capacity & Tax Rate

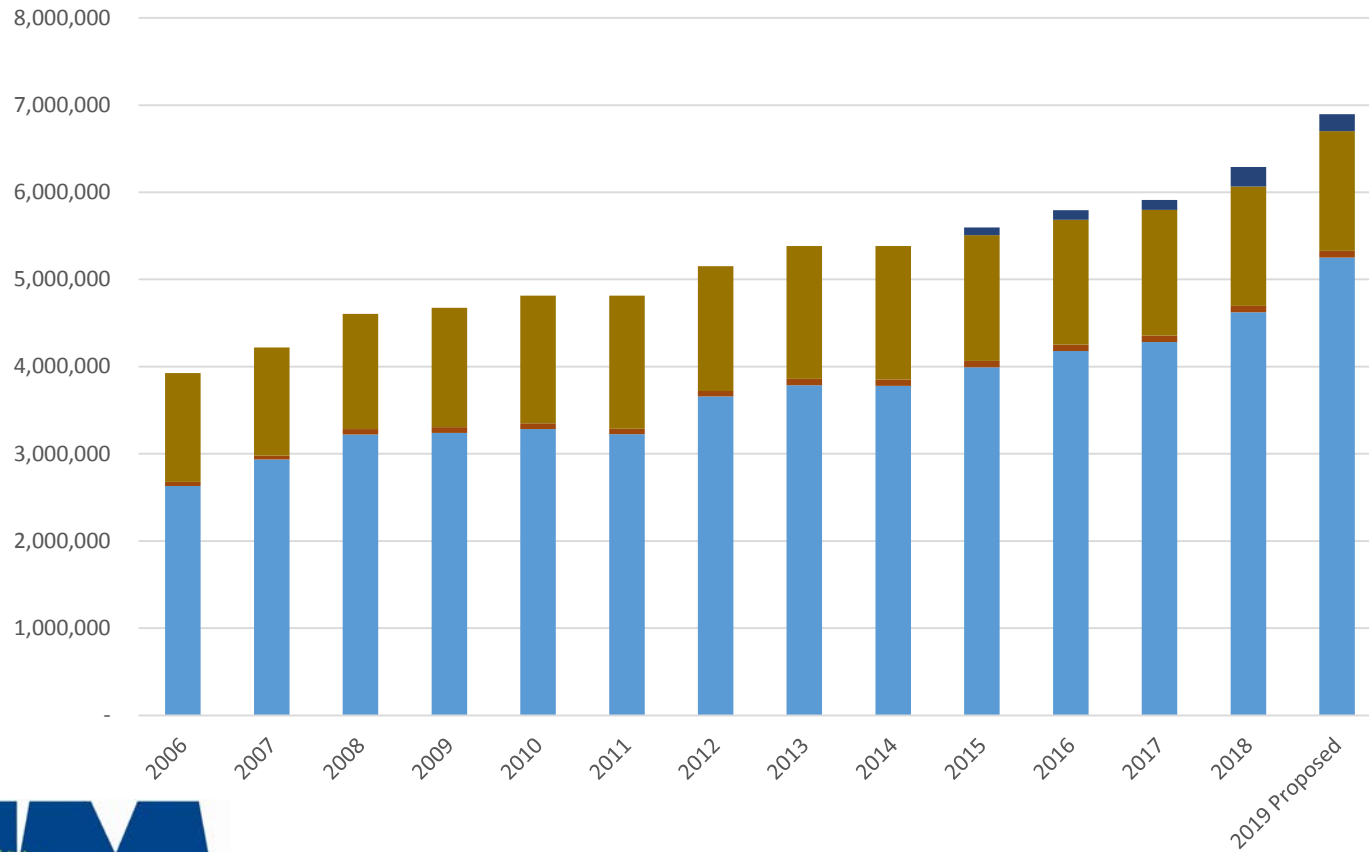
Tax capacity is a unique property taxing tool that is equivalent to multiplying the taxable market value of a property by its relevant class rate. The local tax rate of a taxing jurisdiction is determined by dividing the jurisdiction's levy by the jurisdiction's taxable net tax capacity. Rates often move in the opposite direction of tax capacity as shown in the chart above.

Tax Capacity & Tax Rate



# Tax Capacity & Tax Rate

Historic Tax Levy



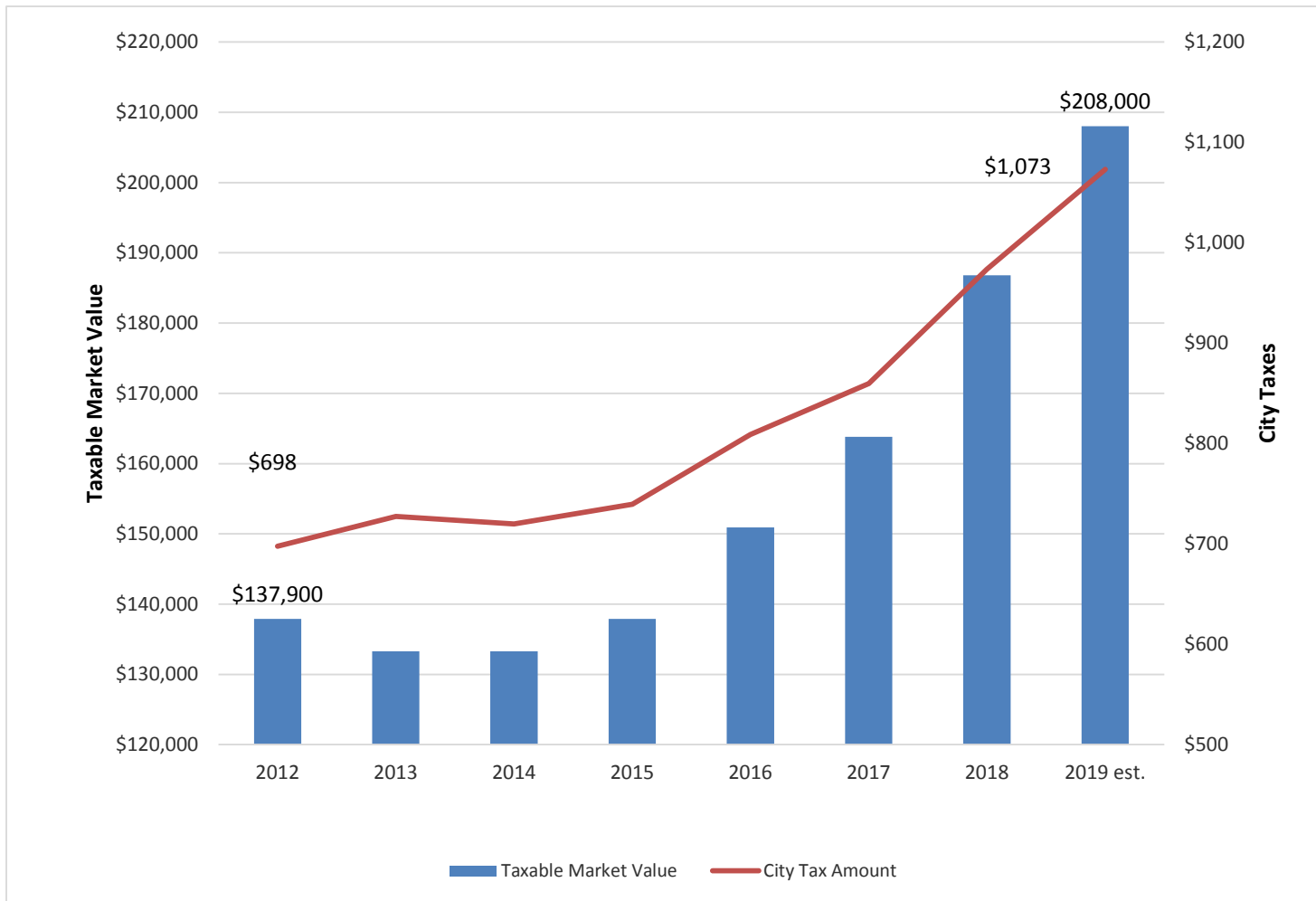
■ General Fund Levy   
 ■ Port Authority Levy   
 ■ Debt Service Levy   
 ■ Abatement Levy



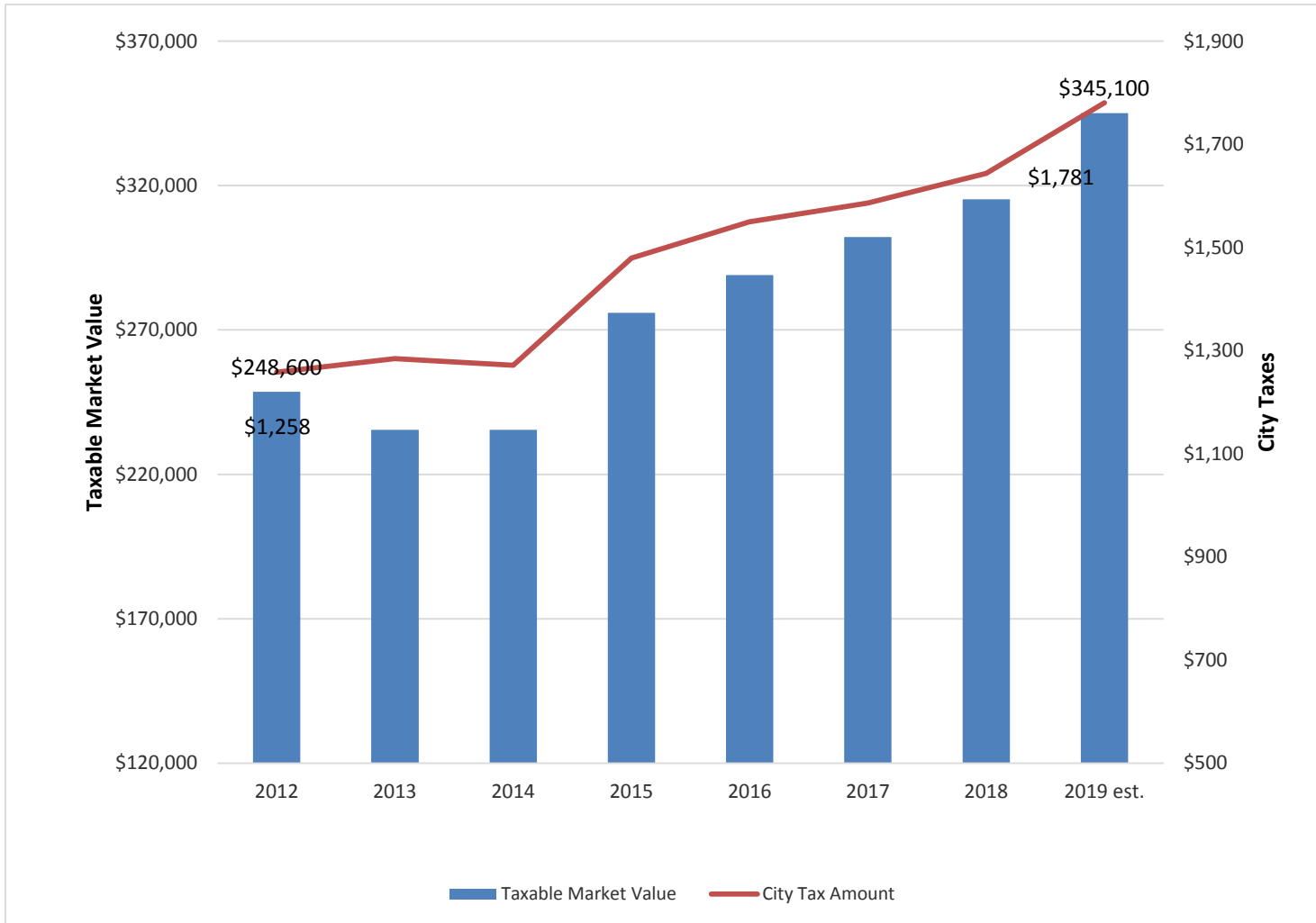
# Tax Capacity & Tax Rate



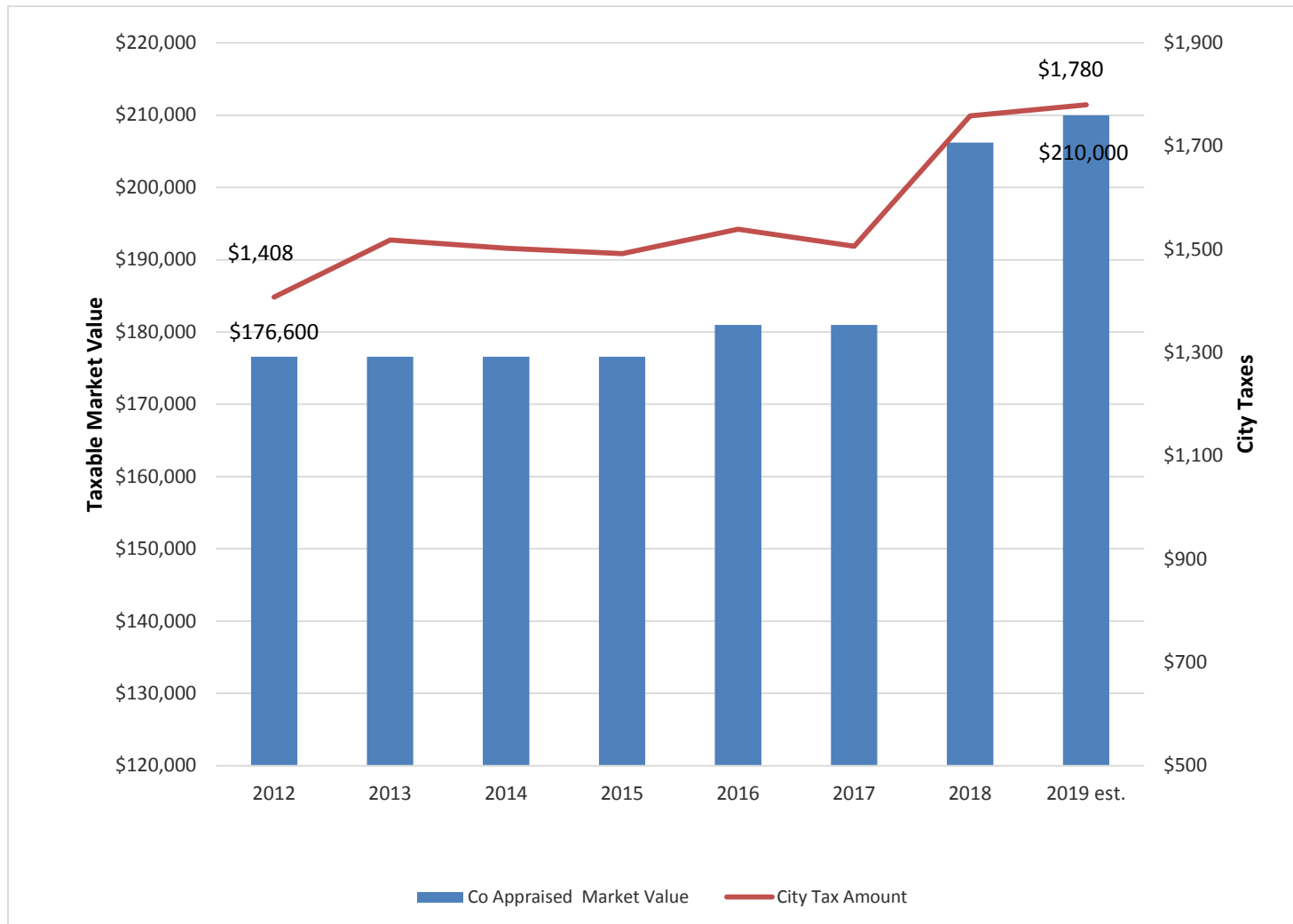
# Historical City Tax on a \$140,000 Home



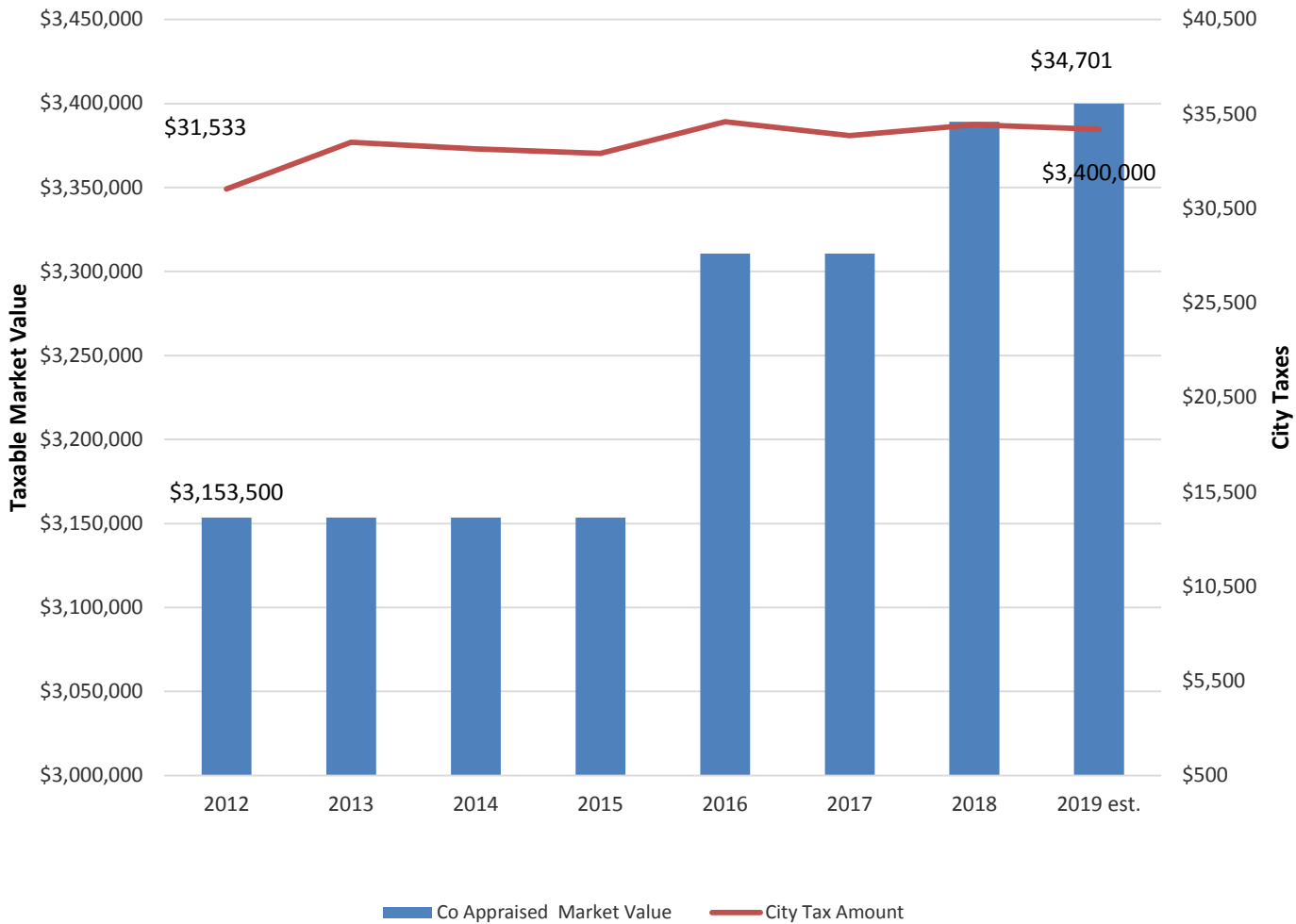
# Historical City Tax on a \$250,000 Home



# Historical City Tax on a Downtown Business

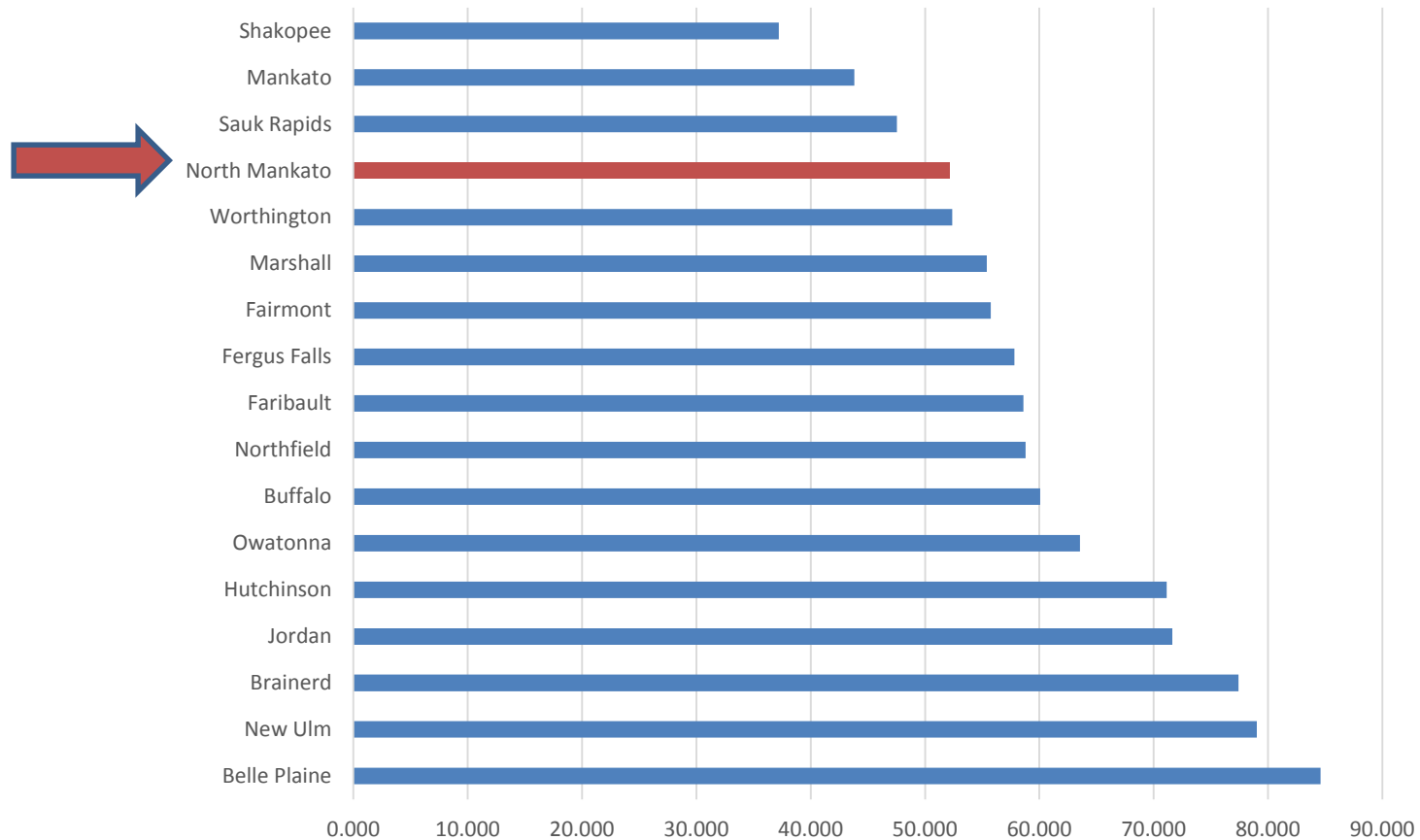


# Historical City Tax on a Upper North Large Business



# 2018 Comparable City Tax Rate

2018 Tax Rates for Area and Comparable Cities

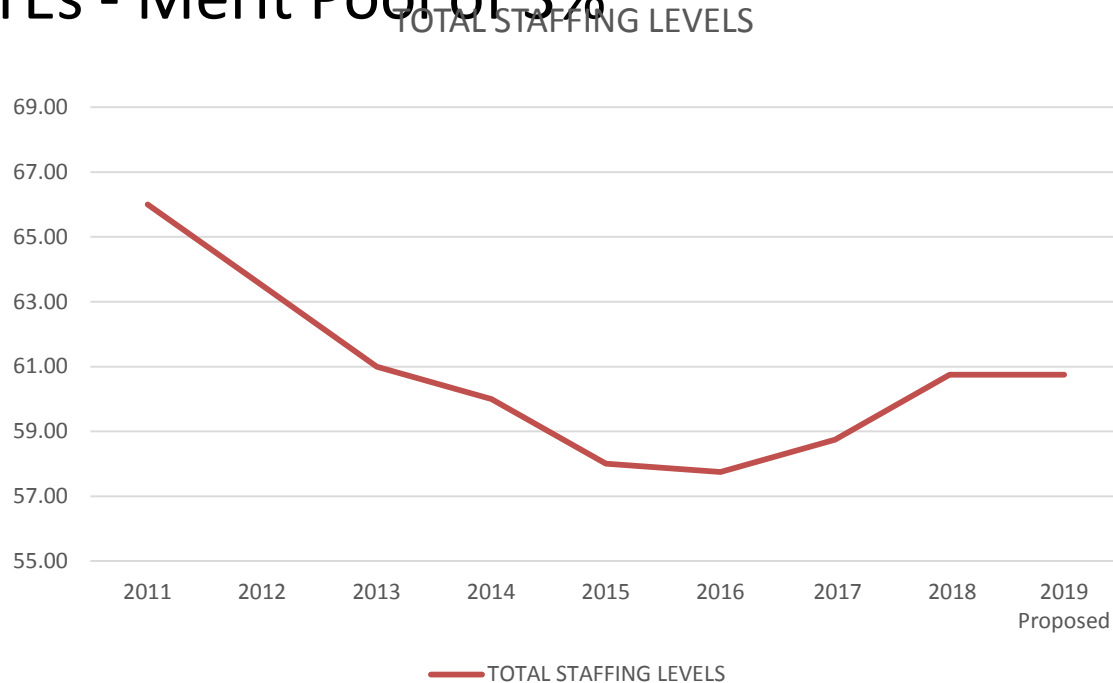


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# 2019 Personnel Costs

- 60.75 FTEs - Merit Pool of 3%



- Health insurance increase of 7% for 2019 and assumes 5% increase for future years



# Revenues & Expenditures Summary

- Informational section - pages 5-9

| BUDGET SUMMARY FOR FY 2019                     |                      |                      |                   |           |  |  |
|--|----------------------|----------------------|-------------------|-----------|--|--|
| 2019 EXPENDITURES BY FUND                      |                      |                      |                   |           |  |  |
| Fund   | 2018 Adopted         | 2019 Proposed        | %                 | %/18      |  | Notes  |
| <b>General Fund Expenditures by Department</b> |                      |                      |                   |           |  |  |
| Legislative                                    | \$ 51,865            | \$ 45,660            | \$ (6,205)        | -12%      |  |  |
| General Government                             | \$ 668,248           | \$ 681,535           | \$ 13,287         | 2%        |  |  |
| Attorney                                       | \$ 113,800           | \$ 113,800           | \$ 0              | 0%        |  |  |
| Police   | \$ 2,091,738         | \$ 2,164,395         | \$ 72,657         | 3%        |  | Union negotiated wage and benefit increases                                  |
| Fire   | \$ 352,256           | \$ 352,492           | \$ 236            | 0%        |  |  |
| Streets  | \$ 1,586,093         | \$ 1,700,478         | \$ 114,385        | 7%        |  | New FTE in 18, Sidewalk Replacement, pavement management plan                |
| Maintenance & Equipment                        | \$ 309,667           | \$ 289,861           | \$ (19,806)       | -6%       |  | Supply budget reallocated to Streets   |
| Street Lighting                                | \$ 352,349           | \$ 358,022           | \$ 5,673          | 2%        |  |  |
| Swim Facility                                  | \$ 240,661           | \$ 272,500           | \$ 30,839         | 13%       |  | Increased lifeguard and utility expenses                                     |
| Parks  | \$ 884,251           | \$ 1,018,241         | \$ 133,990        | 15%       |  | Temp labor increase and \$50k increase in Park Imp.                          |
| Library  | \$ 568,760           | \$ 584,466           | \$ 15,706         | 3%        |  |  |
| Bookmobile                                     | \$ 66,840            | \$ 97,976            | \$ 31,136         | 47%       |  |  |
| Community Development                          | \$ 525,411           | \$ 590,484           | \$ 65,073         | 12%       |  | \$50k for planning studies, rental inspection reimbursements                 |
| Miscellaneous                                  | \$ 47,800            | \$ 50,300            | \$ 2,500          | 5%        |  | Fireworks in 2019  |
| Area Agency Disbursements                      | \$ 287,595           | \$ 287,707           | \$ 112            | 0%        |  |  |
| Transfers                                      | \$ 250,000           | \$ 437,000           | \$ 187,000        | 75%       |  | \$250k increase in capital facilities transfer and \$27k in Caswell transfer |
| <b>General Fund (Total)</b>                    | <b>\$ 8,334,895</b>  | <b>\$ 9,043,727</b>  | <b>\$ 708,832</b> | <b>8%</b> |  |  |
| Water  | \$ 2,208,623         | \$ 2,083,219         | \$ (125,404)      | -6%       |  | Debt retired   |
| Wastewater                                     | \$ 2,436,694         | \$ 2,466,108         | \$ 29,414         | 1%        |  | Decreased Debt Service & increased treatment                                 |
| Solid Waste                                    | \$ 812,854           | \$ 800,743           | \$ (12,111)       | -1%       |  |  |
| Recycling                                      | \$ 430,782           | \$ 484,974           | \$ 54,192         | 13%       |  | Spring and Fall Cleanup Charges  |
| Storm Water                                    | \$ 342,801           | \$ 389,509           | \$ 46,708         | 14%       |  | Software costs, flood station, ravine maint.                                 |
| Debt Service Fund                              | \$ 520,310           | \$ 793,004           | \$ 272,694        | 53%       |  | 2019 CC, Swim Facility and Jefferson Bonds                                   |
| Community Development Grant                    | \$ 67,600            | \$ 0                 | \$ (67,600)       | -100%     |  |  |
| Local Option Sales Tax                         | \$ 520,660           | \$ 587,144           | \$ 66,475         | 13%       |  |  |
| Capital Facilities & Equipment Fund            | \$ 476,000           | \$ 580,000           | \$ 104,000        | 22%       |  | Weather resilient balloon payments, various PW equipment & park projects     |
| Construction Funds                             | \$ 3,650,000         | \$ 3,110,000         | \$ (540,000)      | -15%      |  | Remainder of swim facility project & 2019 CIP project                        |
| Port Authority - General Fund                  | \$ 79,006            | \$ 215,570           | \$ 136,564        | 173%      |  | Transfer to ISDA for final Rist payment                                      |
| Joint Economic Development Fund                | \$ 144,000           | \$ 254,000           | \$ 110,000        | 76%       |  | Final Rist payment   |
| Federal Revolving Loan                         | \$ 45,700            | \$ 57,700            | \$ 12,000         | 26%       |  | Northside Revivals program   |
| Local Revolving Loan                           | \$ 102,663           | \$ 124,875           | \$ 22,212         | 22%       |  | To reflect 2018 figures  |
| TIF 1A - Webster Avenue                        | \$ 8,561             | \$ 13,441            | \$ 4,880          | 57%       |  | To reflect 2018 figures  |
| TIF 21 - National Dentex                       | \$ 13,436            | \$ 0                 | \$ (13,436)       | -100%     |  | Decertified for 2018 payable   |
| TIF 2 - Webster Avenue (PX Fusion)             | \$ 4,970             | \$ 6,182             | \$ 1,212          | 24%       |  | To reflect 2018 figures  |
| TIF 18 - LIP                                   | \$ 86,240            | \$ 79,468            | \$ (6,772)        | -8%       |  | To reflect 2018 figures  |
| TIF 20 - Ziegler                               | \$ 90,513            | \$ 80,347            | \$ (10,166)       | -11%      |  | To reflect 2018 figures  |
| TIF 19 - 422 Belgrade                          | \$ 33,778            | \$ 33,778            | \$ 0              | 0%        |  |  |
| TIF 19 - Lindsay Windows                       | \$ 17,724            | \$ 18,616            | \$ 892            | 5%        |  |  |
| TIF 21 - Allstate                              | \$ 27,852            | \$ 25,981            | \$ (1,871)        | -7%       |  | To reflect 2018 figures  |
| TIF 23 - D&K Powder Coating                    | \$ 34,339            | \$ 36,693            | \$ 2,354          | 7%        |  | To reflect 2018 figures  |
| Caswell Sports Fund/Caswell Park               | \$ 339,697           | \$ 362,953           | \$ 23,256         | 7%        |  | Staff 13K, Trney Exp 8K, Insurance 5K  |
| Caswell Sports Fund/Caswell Park North         | \$ 46,400            | \$ 47,622            | \$ 1,222          | 3%        |  |  |
| Charitable Gaming                              | \$ 23,500            | \$ 15,500            | \$ (8,000)        | -34%      |  | Return to historic contributions   |
| Library Endowment                              | \$ 27,417            | \$ 30,400            | \$ 2,983          | 11%       |  | Backpack Club Book & Bookin on Belgrade expenses                             |
| <b>TOTAL ALL GOVERNMENT</b>                    | <b>\$ 22,822,927</b> | <b>\$ 23,815,753</b> | <b>\$ 992,826</b> | <b>4%</b> |  |  |

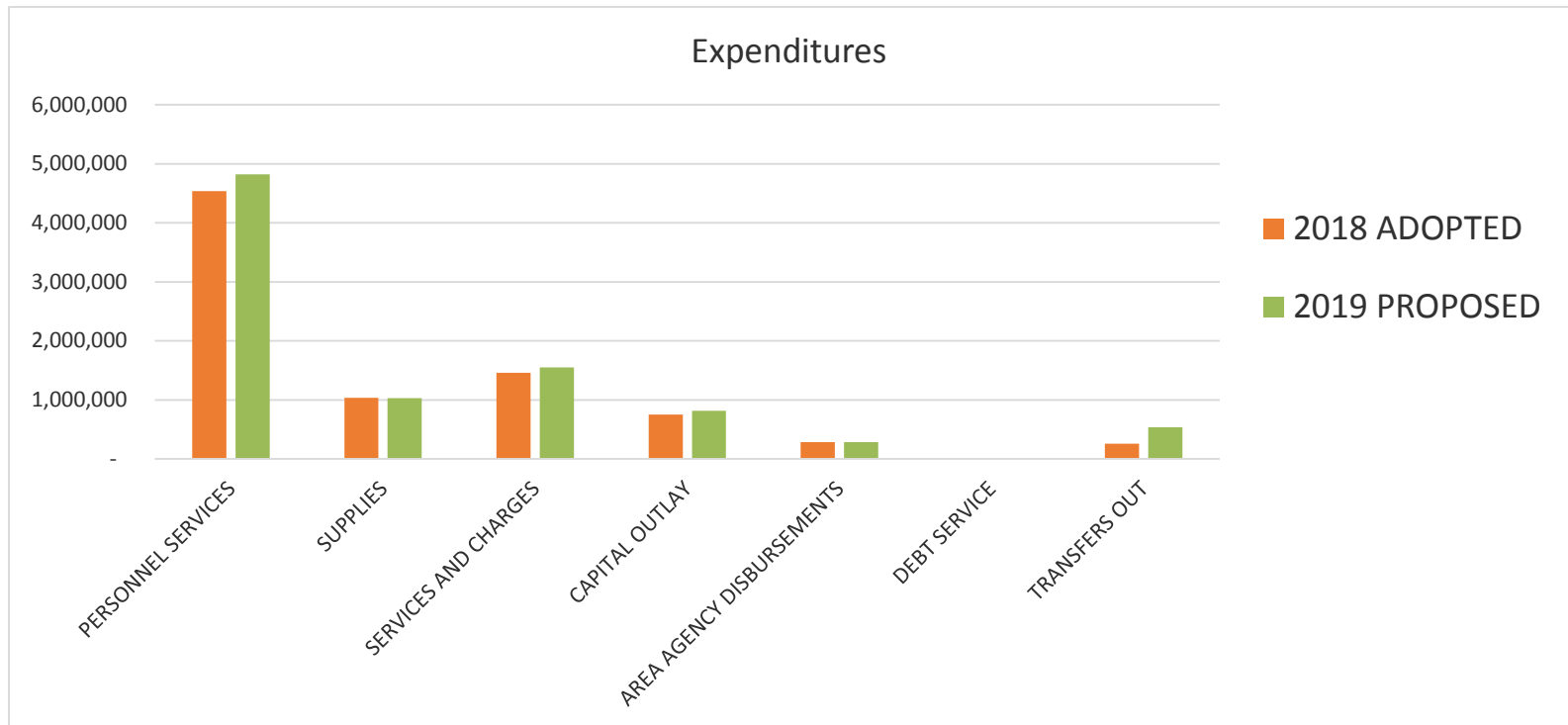
| BUDGET SUMMARY FOR FY 2018            |                      |                      |                       |            |  |  |
|---------------------------------------|----------------------|----------------------|-----------------------|------------|--|--|
| 2018 REVENUES BY FUND                 |                      |                      |                       |            |  |  |
| Fund                                  | 2018 Adopted         | 2019 Proposed        | %                     | %/18       |  | Notes  |
| <b>General Fund Revenue by Source</b> |                      |                      |                       |            |  |  |
| Property Tax                          | \$ 4,619,993         | \$ 5,251,607         | \$ 631,714            | 13%        |  | 8% growth in tax base                              |
| Sales Tax                             | \$ 700               | \$ 200               | \$ (500)              | -71%       |  | Adjusted to actual                                 |
| Franchise Tax                         | \$ 592,000           | \$ 574,000           | \$ (18,000)           | -3%        |  | 14% Collections trending up                        |
| Other Tax                             | \$ 721,000           | \$ 722,000           | \$ 1,000              | 0%         |  | Combining taxes up                                 |
| License and Permit - Business         | \$ 116,558           | \$ 131,020           | \$ 14,462             | 12%        |  | Rental license fee increase                        |
| License and Permit - Non Business     | \$ 285,552           | \$ 312,450           | \$ 26,898             | 9%         |  | Building permits up                                |
| Intergovernmental                     | \$ 2,144,843         | \$ 2,174,583         | \$ 29,740             | 1%         |  | LCR, Fire & Police Premium                         |
| Charges for Service                   | \$ 100,751           | \$ 104,438           | \$ 3,687              | 4%         |  | Cable fees up                                      |
| Fines and Forfeitures                 | \$ 29,000            | \$ 33,500            | \$ 4,500              | 16%        |  | Court fines up                                     |
| Special Assessments                   | \$ 17,650            | \$ 13,800            | \$ (3,850)            | -22%       |  | Less outstanding assessments                       |
| Miscellaneous                         | \$ 145,868           | \$ 163,267           | \$ 17,399             | 12%        |  | Other income source up                             |
| Transfers In                          | \$ 350,982           | \$ 261,750           | \$ (89,232)           | -25%       |  | Back to historic levels                            |
| Other                                 | \$ 0                 | \$ 0                 | \$ 0                  | 0%         |  |  |
| <b>General Fund (Total)</b>           | <b>\$ 8,405,938</b>  | <b>\$ 9,097,715</b>  | <b>\$ 691,777</b>     | <b>8%</b>  |  |  |
| Water                                 | \$ 2,213,871         | \$ 2,128,600         | \$ (85,271)           | -4%        |  |  |
| Wastewater                            | \$ 2,417,913         | \$ 2,461,000         | \$ 43,087             | 2%         |  | Rate increase better than anticipated              |
| Solid Waste                           | \$ 811,000           | \$ 819,360           | \$ 8,360              | 1%         |  |  |
| Recycling                             | \$ 429,623           | \$ 559,721           | \$ 130,098            | 30%        |  | Revolving commodity rates                          |
| Storm Water                           | \$ 381,550           | \$ 541,131           | \$ 159,581            | 42%        |  | One time transfer                                  |
| Debt Service Fund                     | \$ 2,835,522         | \$ 2,800,842         | \$ (34,680)           | -1%        |  | MINDOT no longer paying on refunded bonds          |
| Community Development Grant           | \$ 67,600            | \$ 0                 | \$ (67,600)           | -100%      |  |  |
| Local Option Sales Tax                | \$ 650,000           | \$ 700,000           | \$ 50,000             | 8%         |  |  |
| Capital Facilities & Equipment Fund   | \$ 361,500           | \$ 511,500           | \$ 150,000            | 42%        |  | Increased GF transfer                              |
| Construction Funds                    | \$ 4,670,000         | \$ 3,000,000         | \$ (1,670,000)        | -36%       |  | 2018 CIP project                                   |
| Port Authority - General Fund         | \$ 89,281            | \$ 91,207            | \$ 1,926              | 2%         |  |  |
| Joint Economic Development Fund       | \$ 7,901             | \$ 257,746           | \$ 249,845            | 315%       |  |  |
| Federal Revolving Loan                | \$ 57,272            | \$ 73,111            | \$ 15,839             | 27%        |  | Principal not budgeted as a revenue, only interest |
| Local Revolving Loan                  | \$ 2,769             | \$ 1,498             | \$ (1,271)            | -46%       |  | Principal not budgeted as a revenue, only interest |
| TIF 1A - Marigold                     | \$ 6,000             | \$ 66,548            | \$ 60,548             | 1010%      |  | TIF revenues based on current LC collections       |
| TIF 1A - Webster Avenue               | \$ 21,601            | \$ 22,616            | \$ 1,015              | 5%         |  |  |
| TIF 21 - National Dentex              | \$ 14,132            | \$ 0                 | \$ (14,132)           | -100%      |  | Decertified for 2018 payable                       |
| TIF 2 - Webster Avenue (PX Fusion)    | \$ 5,200             | \$ 6,182             | \$ 982                | 19%        |  |  |
| TIF 18 - LIP                          | \$ 79,468            | \$ 79,468            | \$ 0                  | 0%         |  |  |
| TIF 20 - Ziegler                      | \$ 90,513            | \$ 80,347            | \$ (10,166)           | -11%       |  |  |
| TIF 19 - 422 Belgrade                 | \$ 33,778            | \$ 29,460            | \$ (4,318)            | -13%       |  |  |
| TIF 19 - Lindsay Windows              | \$ 17,724            | \$ 18,616            | \$ 892                | 5%         |  |  |
| TIF 21 - Allstate                     | \$ 27,852            | \$ 25,081            | \$ (2,771)            | -10%       |  |  |
| TIF 23 - D&K Powder Coating           | \$ 34,339            | \$ 36,693            | \$ 2,354              | 7%         |  |  |
| Caswell Sports                        | \$ 392,200           | \$ 411,399           | \$ 19,199             | 5%         |  |  |
| Charitable Gaming                     | \$ 23,760            | \$ 25,600            | \$ 1,840              | 8%         |  |  |
| Library Endowment                     | \$ 39,500            | \$ 39,500            | \$ 0                  | 0%         |  |  |
| <b>TOTAL ALL GOVERNMENT</b>           | <b>\$ 24,034,783</b> | <b>\$ 22,809,224</b> | <b>\$ (1,225,559)</b> | <b>-5%</b> |  |  |

| BUDGET SUMMARY FOR FY 2018          |                     |                       |                     |             |  |  |
|-------------------------------------|---------------------|-----------------------|---------------------|-------------|--|--|
| 2018 TRANSFERS BY FUND              |                     |                       |                     |             |  |  |
| Fund                                | 2018 Adopted        | 2019 Proposed         | %                   | %/18        |  | Notes                                    |
| <b>General Fund</b>                 | <b>\$ 300,982</b>   | <b>\$ (296,000)</b>   | <b>\$ (4,982)</b>   | <b>-2%</b>  |  |  |
| Water                               | \$ 0                | \$ (140,000)          | \$ (140,000)        | -           |  | Increased transfer to capital facilities |
| Wastewater                          | \$ 0                | \$ (180,000)          | \$ (180,000)        | -           |  |  |
| Solid Waste                         | \$ 0                | \$ (45,000)           | \$ (45,000)         | -           |  |  |
| Recycling                           | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| Storm Water                         | \$ 0                | \$ (35,250)           | \$ (35,250)         | -           |  | One time transfer                        |
| Debt Service Fund                   | \$ 658,500          | \$ 180,000            | \$ (478,500)        | -73%        |  | To reflect debt service schedule         |
| Community Development Grant         | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| Local Option Sales Tax              | \$ 0                | \$ (320,669)          | \$ (320,669)        | -           |  |  |
| Capital Facilities & Equipment Fund | \$ 361,500          | \$ 361,500            | \$ 0                | 0%          |  | Increased GF transfer                    |
| Construction Funds                  | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| Port Authority - General Fund       | \$ 0                | \$ (9,406)            | \$ (9,406)          | -           |  | To fund final Rist payment               |
| Joint Economic Development Fund     | \$ 131,533          | \$ 0                  | \$ (131,533)        | -100%       |  | To fund final Rist payment               |
| Federal Revolving Loan              | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| Local Revolving Loan                | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| TIF 1A - Marigold                   | \$ 0                | \$ (102,663)          | \$ (102,663)        | -           |  | To reflect debt service schedule         |
| TIF 1A - Webster Avenue             | \$ 0                | \$ (8,564)            | \$ (8,564)          | -           |  | To reflect debt service schedule         |
| TIF 21 - National Dentex            | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| TIF 2 - Webster Avenue (PX Fusion)  | \$ 0                | \$ (4,970)            | \$ (4,970)          | -           |  | To reflect debt service schedule         |
| TIF 18 - LIP                        | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| TIF 20 - Ziegler                    | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| TIF 19 - 422 Belgrade               | \$ 0                | \$ (33,778)           | \$ (33,778)         | -           |  |  |
| TIF 19 - Lindsay Windows            | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| TIF 21 - Allstate                   | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| TIF 23 - D&K Powder Coating         | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| Caswell Sports                      | \$ 0                | \$ 0                  | \$ 0                | 0%          |  | To cover increased activity              |
| Charitable Gaming                   | \$ 0                | \$ 0                  | \$ 0                | 0%          |  |  |
| Library Endowment                   | \$ 10,000           | \$ 10,000             | \$ 0                | 0%          |  |  |
| <b>TOTAL ALL GOVERNMENT</b>         | <b>\$ 1,562,845</b> | <b>\$ (1,993,900)</b> | <b>\$ (169,545)</b> | <b>-11%</b> |  |  |

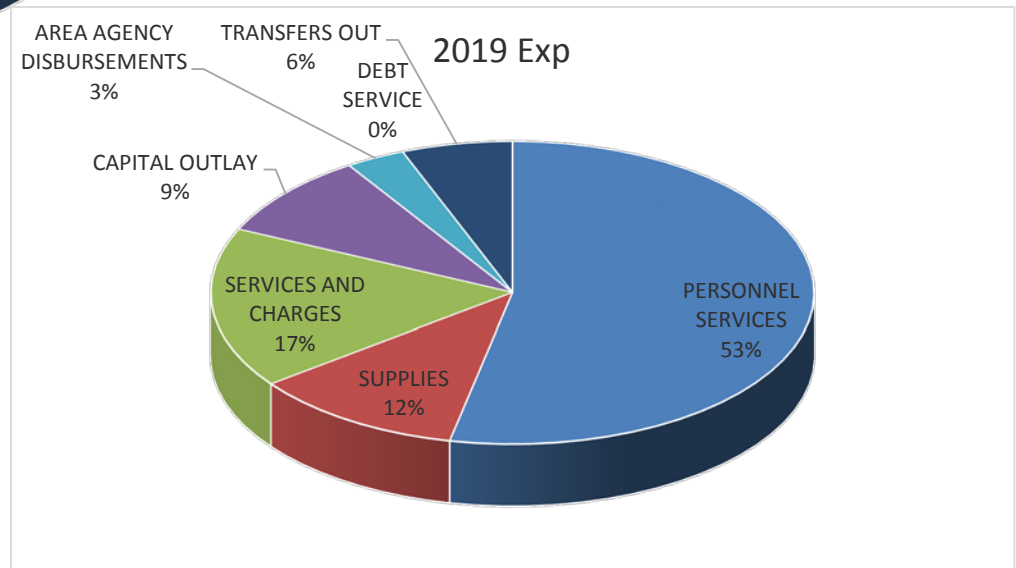
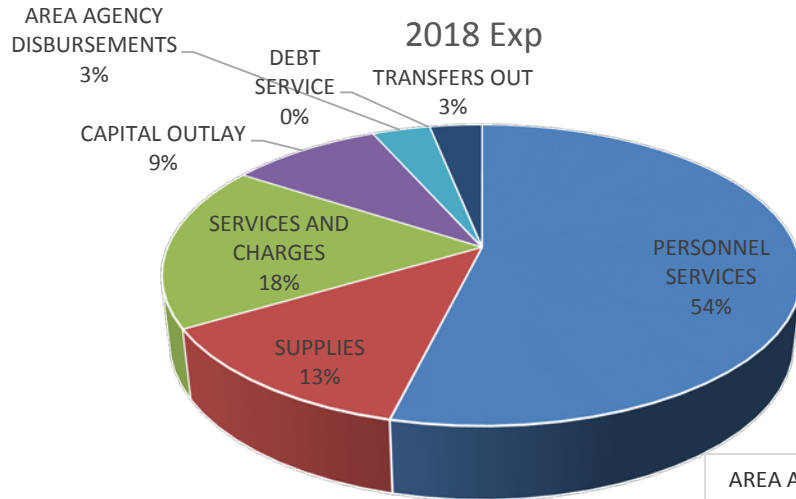


# General Fund - Expenditures

- Refer to General Fund Section

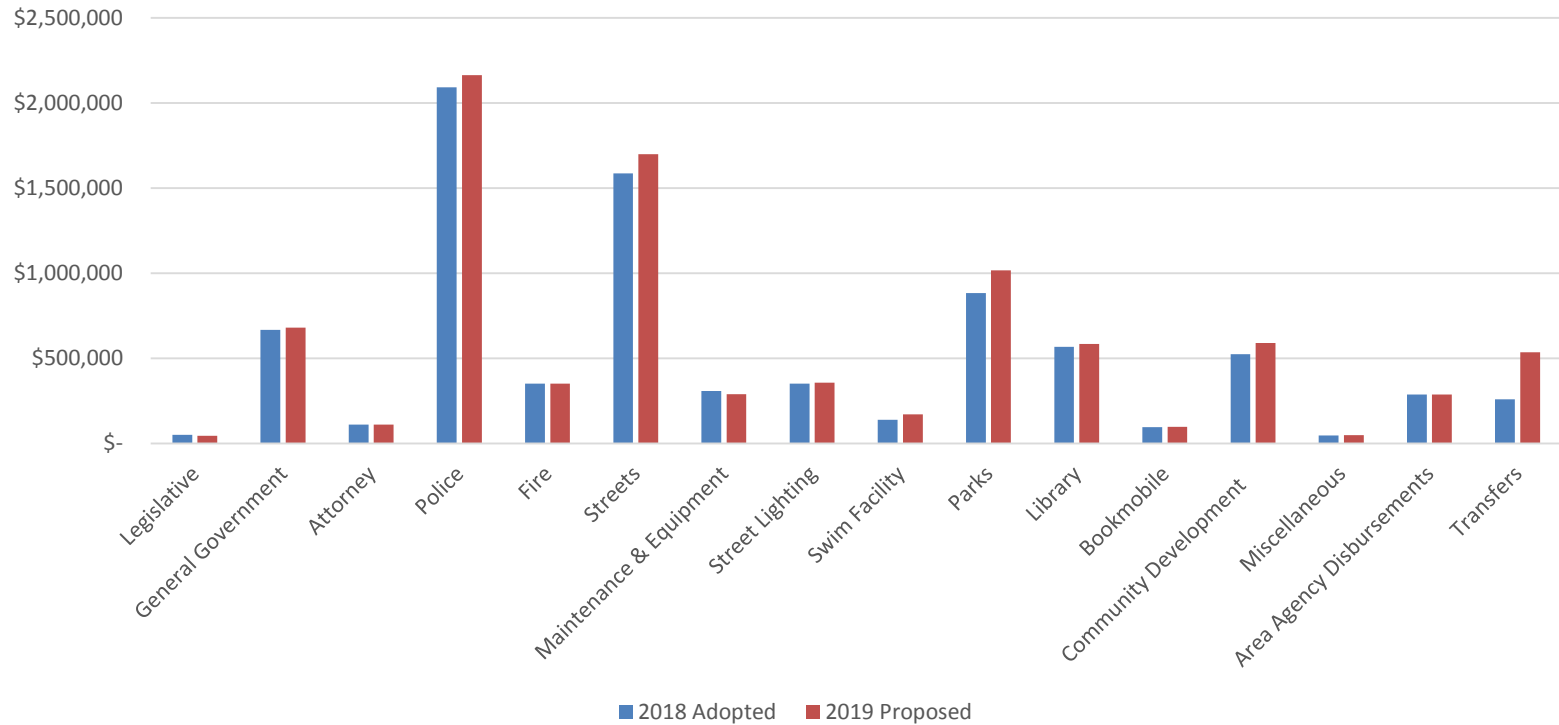


# General Fund - Expenditures

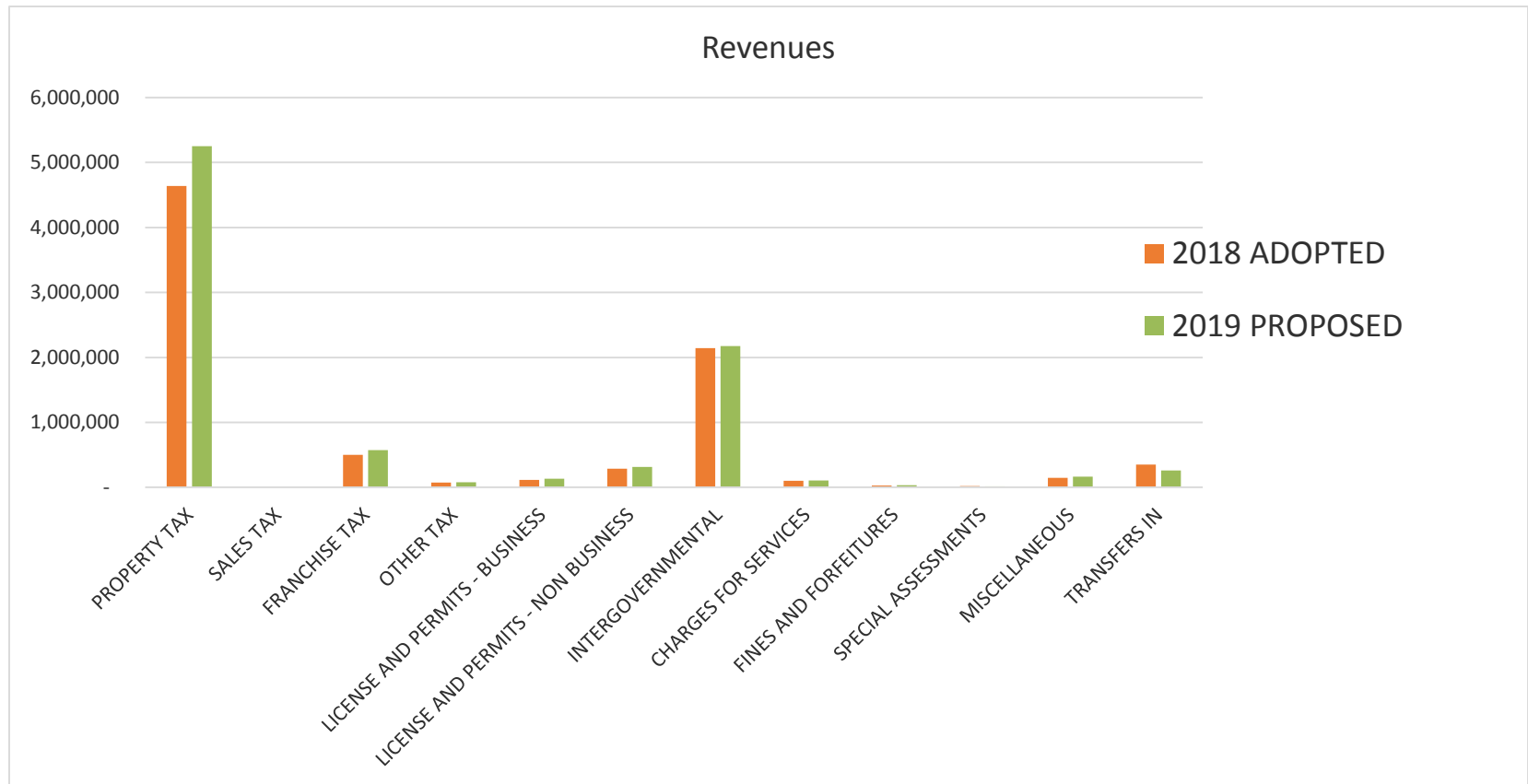


# General Fund - Expenditures

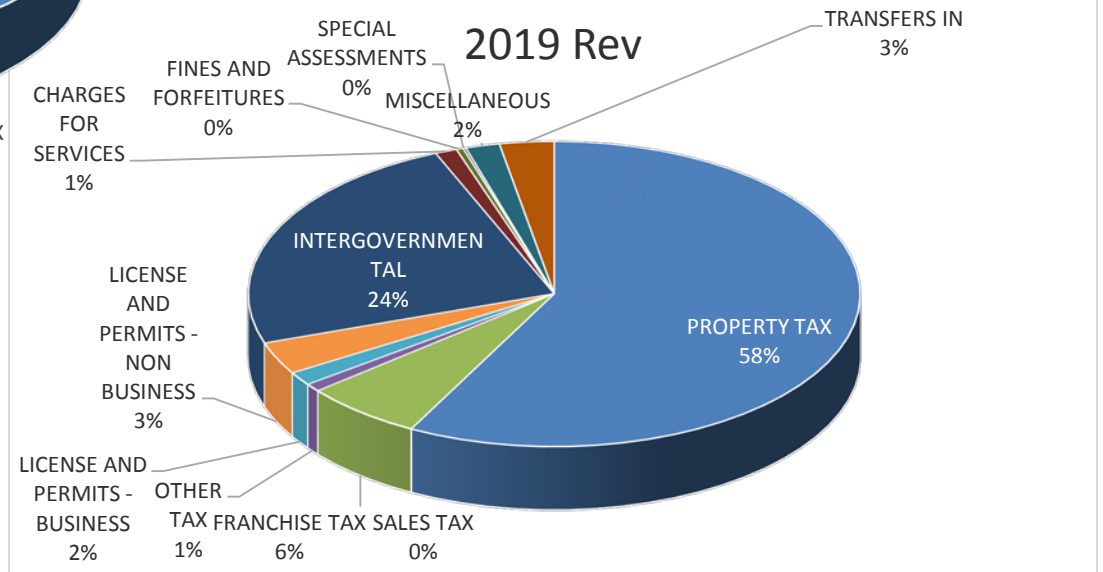
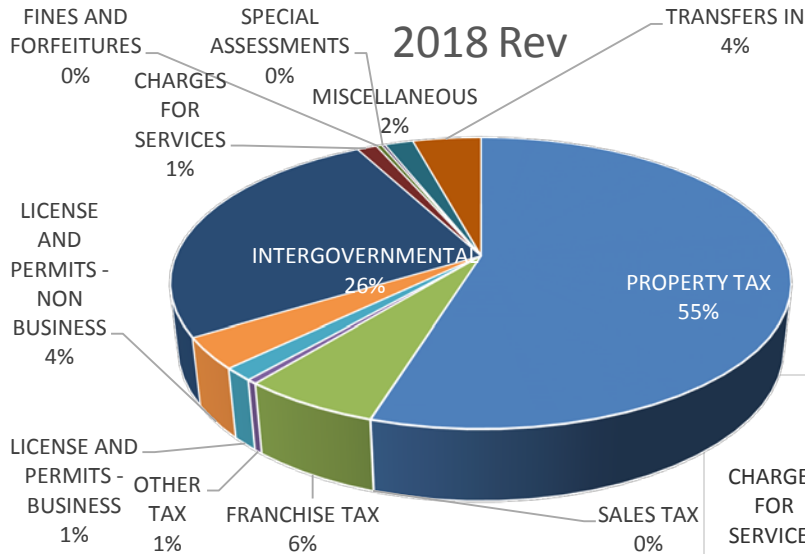
Expenditures by Department



# General Fund - Revenues



# General Fund - Revenues



# 2019 Utility Fund Expenditure Overview

| BUDGET SUMMARY FOR FY 2019 |              |               |              |      |  |
|----------------------------|--------------|---------------|--------------|------|--|
| 2019 EXPENDITURES BY FUND  |              |               |              |      |  |
| Fund                       | 2018 Adopted | 2019 Proposed | +/-          | %+/- | Notes  |
| Water                      | \$ 2,208,623 | \$ 2,083,219  | \$ (125,404) | -6%  | Debt retired                                 |
| Wastewater                 | \$ 2,436,691 | \$ 2,460,108  | \$ 23,417    | 1%   | decreased Debt Service & increased treatment |
| Solid Waste                | \$ 812,654   | \$ 800,741    | \$ (11,913)  | -1%  |  |
| Recycling                  | \$ 430,782   | \$ 484,974    | \$ 54,192    | 13%  | Spring and Fall Cleanup Charges              |
| Storm Water                | \$ 342,801   | \$ 389,509    | \$ 46,708    | 14%  | Software costs, flood station, ravine maint. |

# 2019 Utility Fund Revenue Overview

## BUDGET SUMMARY FOR FY 2018

### 2019 REVENUES BY FUND

| Fund        | 2018 Adopted | 2019 Proposed | +/-        | %+/- | Notes                                 |
|-------------|--------------|---------------|------------|------|---------------------------------------|
| Water       | \$ 2,033,873 | \$ 2,128,600  | \$ 94,727  | 5%   |                                       |
| Wastewater  | \$ 2,417,676 | \$ 2,461,000  | \$ 43,324  | 2%   | Rate Increase better than anticipated |
| Solid Waste | \$ 811,000   | \$ 819,360    | \$ 8,360   | 1%   |                                       |
| Recycling   | \$ 467,021   | \$ 559,721    | \$ 92,700  | 20%  | Rate increase                         |
| Storm Water | \$ 381,500   | \$ 541,131    | \$ 159,631 | 42%  | One time transfer                     |



# 2019 Recycling Fund Overview

- Riverbend Recycling Facility built in 2005 in a partnership with Nicollet County with bonds that mature in 2025
- Nicollet County has contributed approximately \$97,000/year toward the facility
- This agreement will end in 2019.
- In forecasting the cash balance, staff estimates \$1/month rate increase starting in 2019 to cover the shortfall.

# 2019 Auxiliary Funds

## BUDGET SUMMARY FOR FY 2019

### 2019 EXPENDITURES BY FUND

| Fund                                   | 2018 Adopted | 2019 Proposed | +/-          | %+/-  | Notes   |
|--|--------------|---------------|--------------|-------|---|
| Caswell Sports Fund-Caswell Park       | \$ 339,697   | \$ 362,953    | \$ 23,256    | 7%    | Staff 13K, Trney Exp 8K, insurance 5K                                     |
| Caswell Sports Fund-Caswell Park North | \$ 46,400    | \$ 47,622     | \$ 1,222     | 3%    |   |
| Charitable Gaming                      | \$ 23,500    | \$ 15,500     | \$ (8,000)   | -34%  | Return to historic contributions  |
| Library Endowment                      | \$ 27,417    | \$ 30,400     | \$ 2,983     | 11%   | Backpack Book Club & Bookin on Belgrade expenses                          |
| Debt Service Fund                      | \$ 2,509,310 | \$ 2,928,004  | \$ 418,694   | 17%   | 2010C, Swim Facility and Jefferson Bonds                                  |
| Community Development Block Grant      | \$ 67,600    | \$ -          | \$ (67,600)  | -100% |   |
| Local Option Sales Tax                 | \$ 520,669   | \$ 587,144    | \$ 66,475    | 13%   |   |
| Capital Facilities & Equipment Fund    | \$ 475,000   | \$ 530,000    | \$ 55,000    | 12%   | Wheeler properties balloon payments, various PW equipment & park projects |
| Construction Funds                     | \$ 3,560,000 | \$ 3,110,000  | \$ (450,000) | -13%  | Remainder of swim facility project & 2019 CIP project                     |

# 2019 Economic Development Funds

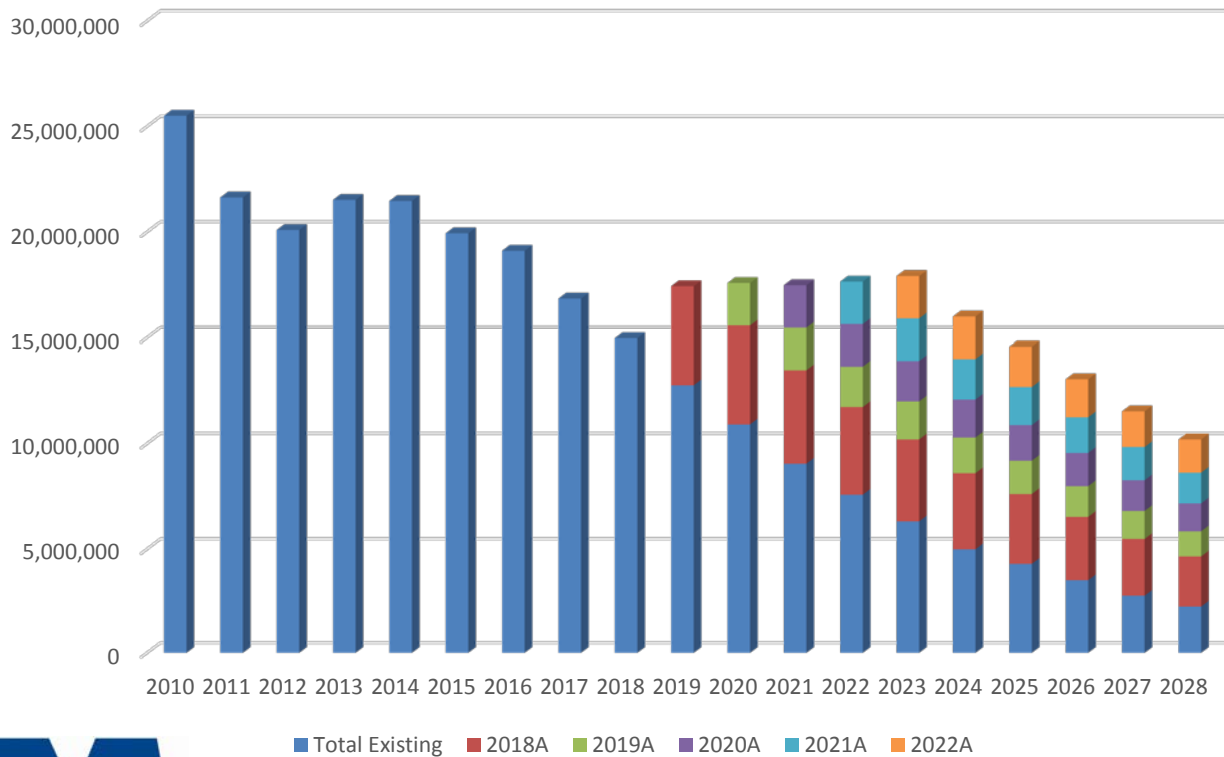
## BUDGET SUMMARY FOR FY 2019

### 2019 EXPENDITURES BY FUND

| Fund                               | 2018 Adopted | 2019 Proposed | +/-         | %+/-  | Notes                                   |
|------------------------------------|--------------|---------------|-------------|-------|---|
| Port Authority - General Fund      | \$ 79,006    | \$ 215,570    | \$ 136,564  | 173%  | Transfer to JEDA for final Rist payment |
| Joint Economic Development Fund    | \$ 144,000   | \$ 254,000    | \$ 110,000  | 76%   | Final Rist payment                      |
| Federal Revolving Loan             | \$ -         | \$ -          | \$ -        |       |   |
| Local Revolving Loan               | \$ 45,700    | \$ 57,700     | \$ 12,000   | 26%   | Northside Revivals program              |
| TIF 8 - Marigold                   | \$ 102,663   | \$ 124,975    | \$ 22,312   | 22%   | To reflect 2018 figures                 |
| TIF 14 - Webster Avenue            | \$ 8,564     | \$ 11,442     | \$ 2,878    | 34%   | To reflect 2018 figures                 |
| TIF 17 - National Dentex           | \$ 13,436    | \$ -          | \$ (13,436) | -100% | Decertified for 2018 payable            |
| TIF 2 - Webster Avenue (FX Fusion) | \$ 4,970     | \$ 6,182      | \$ 1,212    | 24%   | To reflect 2018 figures                 |
| TIF 18 - LJP                       | \$ 84,240    | \$ 79,468     | \$ (4,772)  | -6%   | To reflect 2018 figures                 |
| TIF 20 - Ziegler                   | \$ 90,513    | \$ 80,347     | \$ (10,166) | -11%  |   |
| TIF 1-19 422 Belgrade              | \$ 33,778    | \$ 33,778     | \$ -        | 0%    |   |
| TIF 19 - Lindsay Windows           | \$ 17,724    | \$ 18,616     | \$ 892      | 5%    |   |
| TIF 21 - Allstate                  | \$ 27,955    | \$ 25,081     | \$ (2,874)  | -10%  | To reflect 2018 figures                 |
| TIF 23 - D&K Powder Coating        | \$ 34,339    | \$ 36,693     | \$ 2,354    | 7%    | To reflect 2018 figures                 |

# 2019 Debt Service Funds

Current & Future G.O. Debt of \$2.0 Million/Annually



# Agenda

- Property Tax and Budget Process Review
- Tax Base
  - Taxable Market Value, Tax Capacity, Tax Levy, Tax Rate
  - Tax Impact on Homes
  - Comparable City Tax Rates
- Proposed 2019 Budget
  - Personnel
  - General Fund
  - Utility Funds
  - Auxiliary Funds
  - Economic Development Funds
  - Debt Service
- Alignment with Goals & Emerging Issues

# Alignment with Goals

- 2019 budget reflects the priorities identified in the strategic initiatives:
  - Strategic Plan
    - Additional funding for public safety, streets, and parks
  - Pavement and Sidewalk Maintenance Plans
    - 96% funded
    - Continue mill and overlays, seal coating, and other maintenance
    - \$5,000 for sidewalk maintenance

# Alignment with Goals, cont.

## – Parks Plan

- Additional \$50,000 toward parks, up to 110% funded toward Benson Park & Bluff Park Master Plans, and replace aging equipment & amenities

## – Comprehensive Plans

- Continue funding toward Northside Revivals (grants and loans) rehab program
- Belgrade Ave.
- Commerce Dr. plan
- North Kato Ideas

# Alignment with Goals, cont.

## – Debt Management

- Proposed debt issuances of \$2,000,000/year and possible sales tax funded projects to maintain debt levy and cash reserves

## – Green Initiative

- Continue exploring potential projects
- Citizen education on ravine maintenance and lawn conservation



# Emerging Issues

- Aging City Facilities
  - Public Works Facility
  - Facilities maintenance plan
- Ravine Maintenance
  - Heavy rains lead to ravine slough
  - Ravine maintenance plan
- Recreational Facilities
  - Caswell over 30 years old
  - Sales tax extension, partly toward recreational facilities