

**WHITE BEAR TOWNSHIP**

**SPECIAL TOWN MEETING**

**DECEMBER 6, 2016**

**HERITAGE HALL**

# PURPOSE OF THIS MEETING

Help residents:

- 1) Understand the Township's budget and property tax, and
- 2) Establish the property tax levy and recommend a General Fund Budget for 2017.

2016  
ADOPTED BUDGET  
and  
PROPERTY TAX LEVY  
RECAP

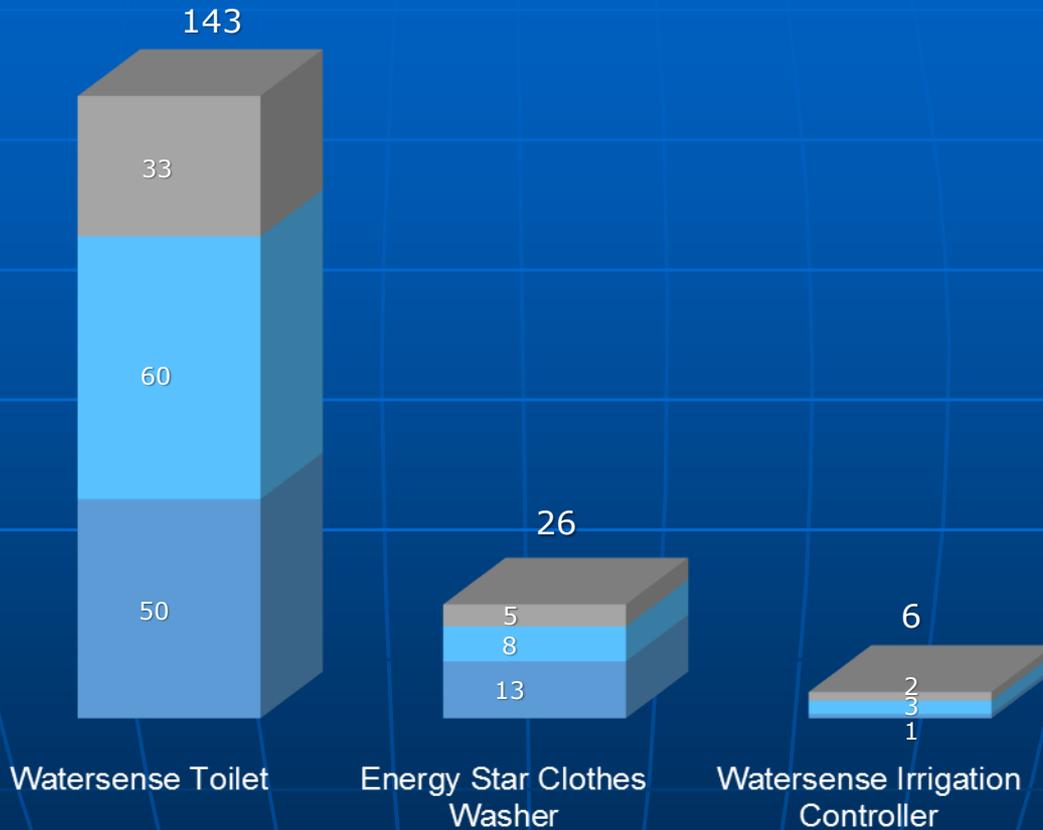
# 2016 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

- ✓ Property tax levy of \$2,933,926
  - An increase of 2.646%.
  - The tax levy has increased 1.028% since 2012.
  - 1<sup>st</sup> year without a Debt levy.
  - Operating levy of \$2,688,398.
  - Fiscal Disparities decreased to \$245,528.

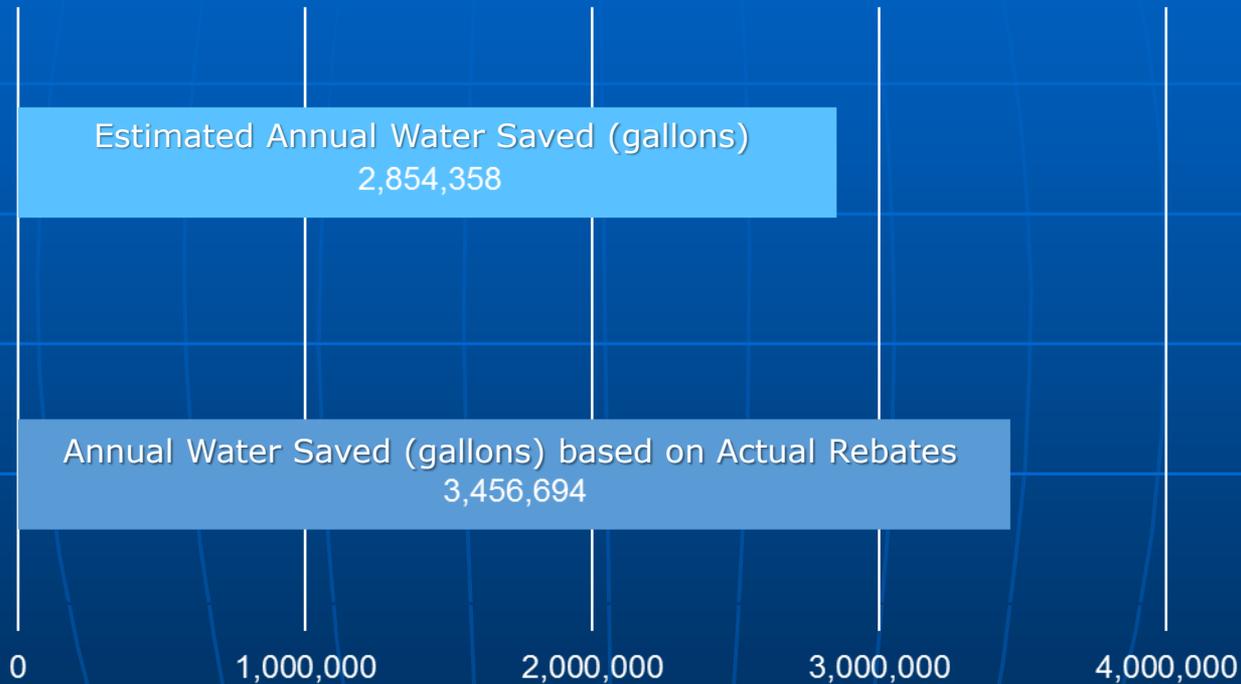
# 2016 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

- ✓ General Fund budget of \$3,724,485
  - Balanced budget.
  - Increase of 4.93%.
  - Public Safety continues to be largest budgeted expenditure area.
  - Property taxes account for 78.77% of the revenues.

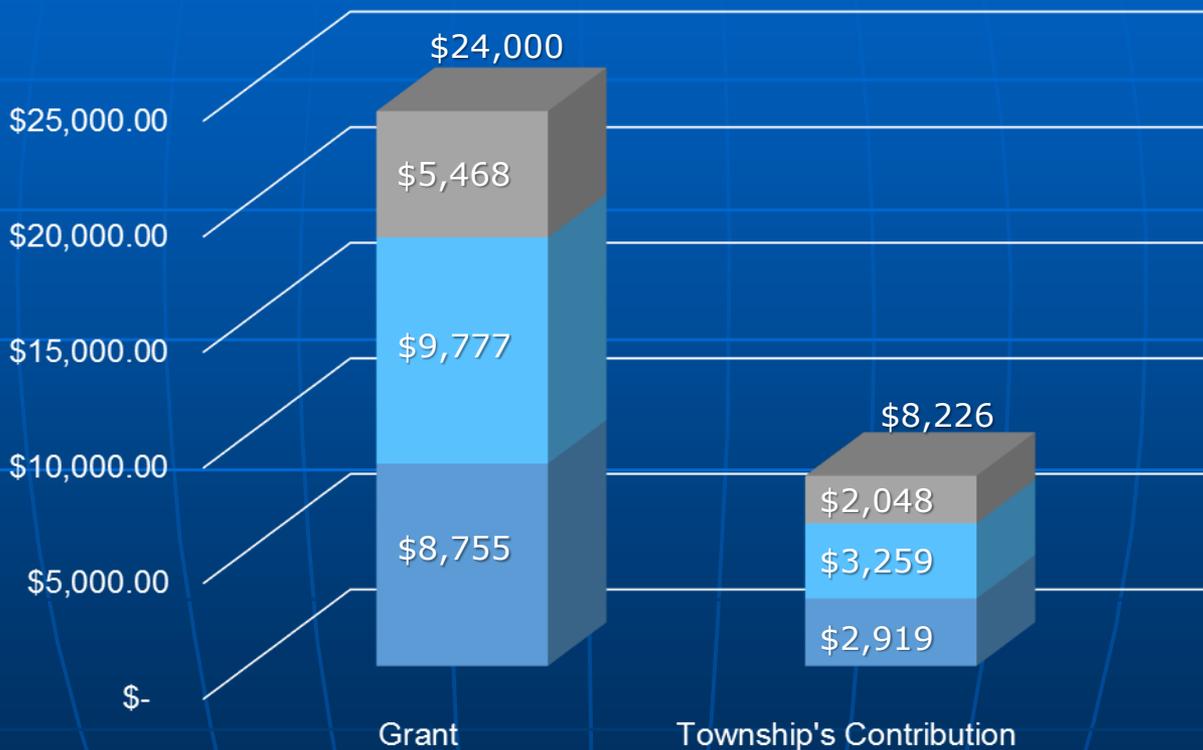
# Water Efficiency Rebate Program Update 2016



# Water Efficiency Rebate Program Update 2016



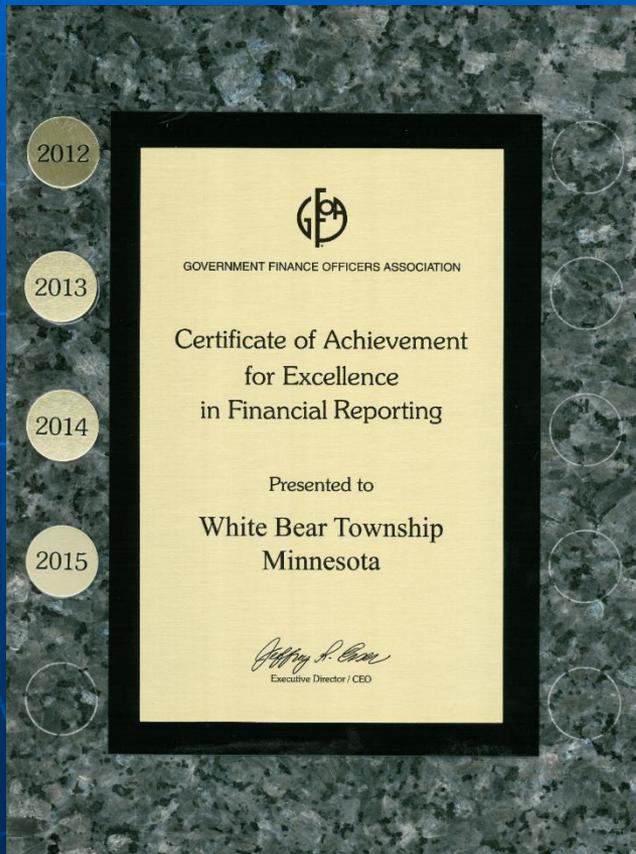
# Water Efficiency Rebate Program Update 2016



# Other Highlights

CAFR Award for the  
20<sup>th</sup> time

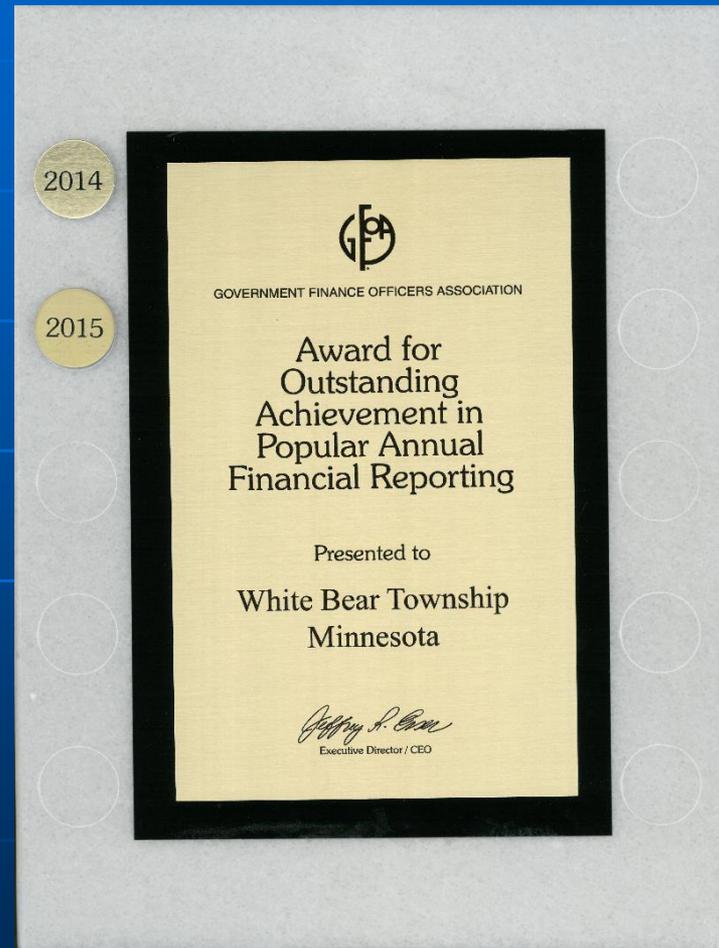
Budget Award for  
the 15<sup>th</sup> time



# Other Highlights

PAFR Award for the  
2<sup>nd</sup> time.

One of 9  
Government Entities  
to receive all 3  
awards in the State.



2017  
PROPOSED  
BUDGET  
and  
PROPERTY TAX LEVY

# 2017 BUDGET PROCESS

## ✓ Budget Calendar:

- ☞ Preliminary levy presented at Annual Town Meeting March 8<sup>th</sup>.
- ☞ Started budget in May.
- ☞ Preliminary levy certified to County September 15<sup>th</sup>.
- ☞ 5-year CIP updated for approval by Town Board on December 19<sup>th</sup>.
  - 1<sup>st</sup> year (2017) incorporated into 2017 Budget.

# 2017 BUDGET PROCESS

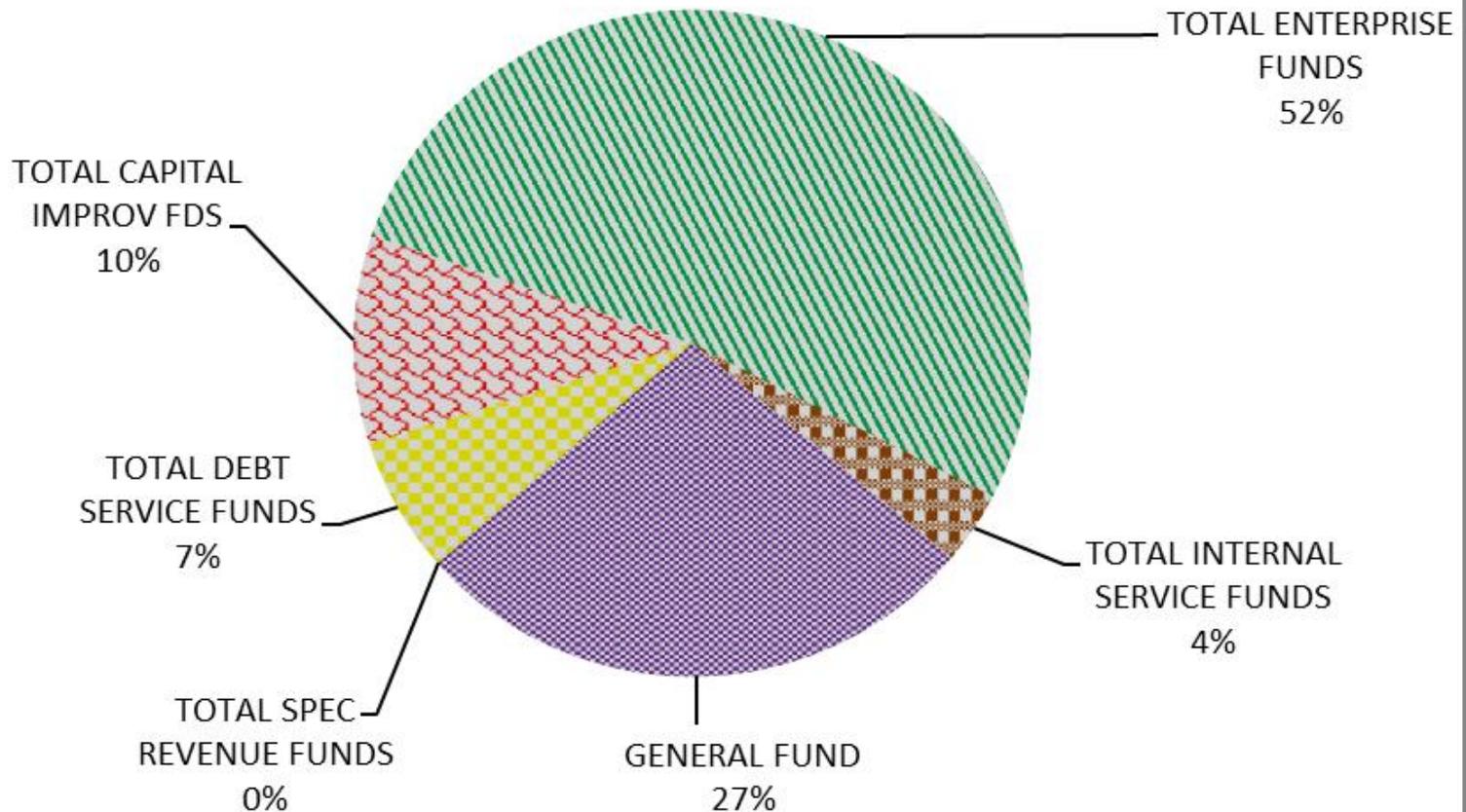
## ✓ Budget Calendar:

- ☞ Budget workshops between August and November.
- ☞ Budget & tax levy presentation to residents December 6<sup>th</sup>.
  - ☞ Residents approve tax levy.
- ☞ Final levy certified to County by December 29<sup>th</sup>.
- ☞ January 1<sup>st</sup> fiscal year begins.

# Proposed 2017 Budget

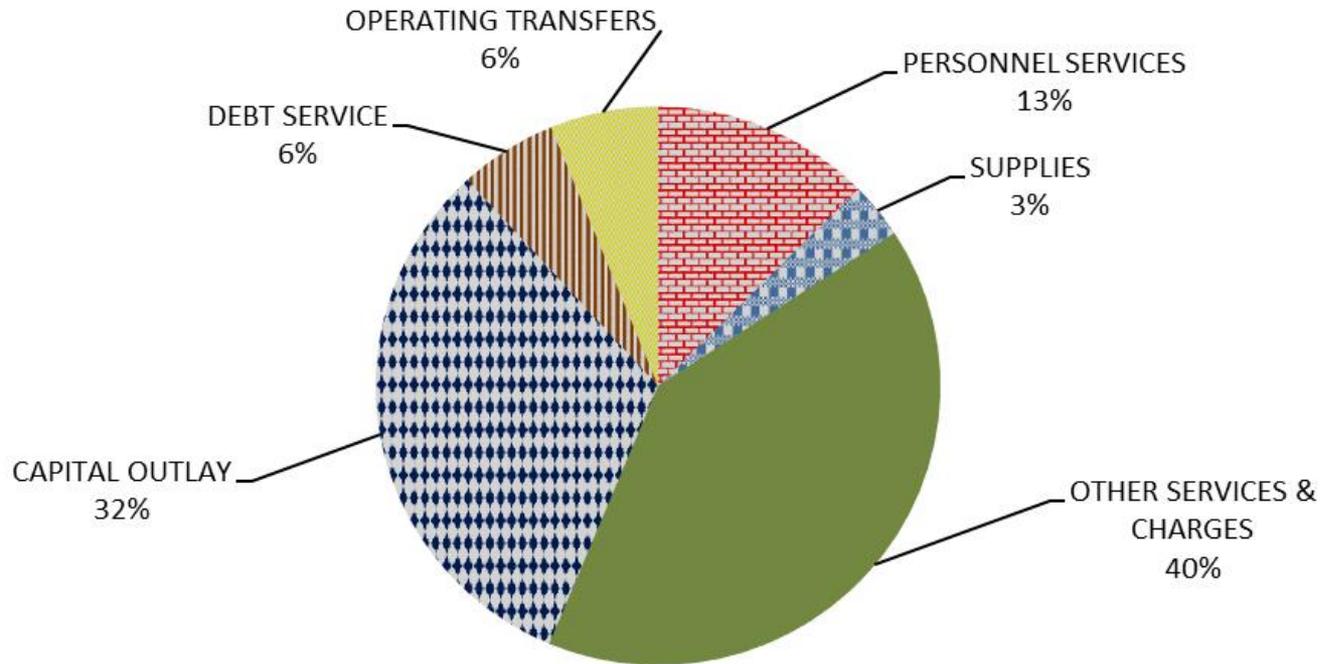
# Total Expenditure Budget \$14,147,874

## EXPENDITURES BY FUND TYPE



# Total Expenditure Budget \$14,147,874

## Expenditures by Function



# PERSONNEL SERVICES

⇒ \$1,776,647 Total Budget - All Funds.

- 9.13% increase from 2016.
- 18 full-time for 2017.
  - Same as 2016.
- Includes summer seasonal positions.
- Includes PERA & FICA, insurances and workers compensation.
- 9.62% Decrease in Health Benefits.
- 2.0% COLA 1/1 & 1% COLA 7/1.
  - Current Union Contract Expires 12/31/17.

# SUPPLIES

⇒ \$455,595 in Total Budgeted for All Funds.

- 7.18% increase from 2016.
- Includes salt, sand, chemicals and street maintenance materials.
- Chemical budget increased for road treatments and polyphosphates to improve water quality.

# OTHER SERVICES & CHARGES

⇒ \$5,733,773 in Total Budgeted for All Funds.

- 5.68% increase from 2016.
- Includes professional fees (elections, audit, engineering and legal).
- Includes contracted services for sheriff and fire (4.33% and 3.99% increase respectively). Represents 8.62% of total Town proposed budget.

# OTHER SERVICES & CHARGES (continued)

⇒ \$5,733,773 in Total Budgeted for All Funds (continued).

- Includes other contracted services (beach operations, portable toilets, and water main repairs).
- \$83,300 to replace/maintain park assets.
  - 3.48% increase from 2016.
- Includes utilities (electricity, gas, water and sewer).

# DEBT SERVICE

⇒ \$795,009 in Total Budgeted for All Funds.

- 71.28% increase from 2016.
- Includes all principal, interest and fiscal fees.
- In 2017 the 2005B GO Taxable Tax Increment Bond is being retired early.
  - Increases debt principal in 2017 by \$335,000 but eliminates \$48,675 in future interest payments at 5.25%.

# CAPITAL OUTLAY

⇒ \$4,510,928 in Total Budgeted for All Funds.

- 3.25% decrease from 2016.
- 2017 includes curb replacements, the annual sealcoat project, Sewer lining project and water tower repainting.
- Includes \$317,200 in park improvements, capital building and equipment replacements/additions.
  - An increase of 1.71%

# TRANSFERS

⇒ \$875,922 in Total Budgeted for All Funds.

- 274.87% decrease from 2015.
- Represents transfers between funds.
- Includes transfers for:
  - Debt funded by other sources other than special assessments or taxes.
  - Funds for capital projects in 2017 and future projects.

# Proposed 2017 Budget by Fund Type

# Debt Service Funds

Revenues - \$791,369  
Expenditures - \$935,897

- ❖ Rated Aa2 by Moody's Investor Service.
- ❖ No debt levy in 2017.
  - ❖ Had debt levies from at least 1991 through 2015.
- ❖ Debt per capita is \$325 as of 1/1/17.
  - ❖ In 2011 debt per capita was \$874.
- ❖ 1/1/17 outstanding debt of \$3,375,000.
  - ❖ \$2,290,000 outstanding as of 12/31/17.
  - ❖ Debt per capita of \$207 as of 12/31/17.

# Capital Improvement Funds

Revenues - \$976,820

Expenditures - \$1,428,727



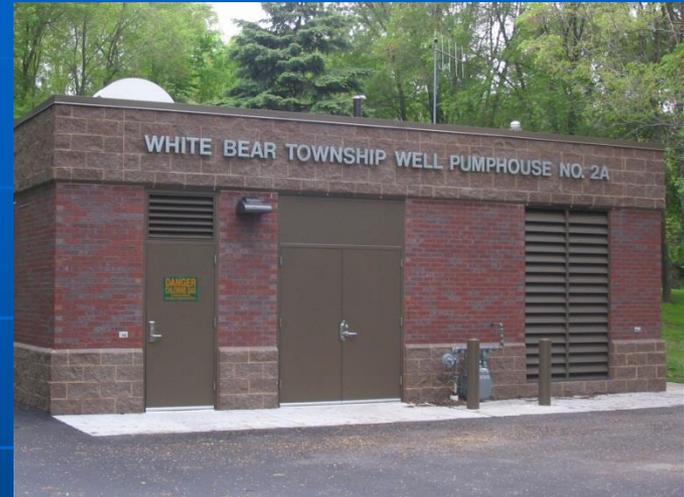
# Internal Service Funds

Revenues – \$574,765

Expenditures - \$496,575



# Enterprise Funds



# Enterprise Funds

Revenues – \$3,682,132

Expenses - \$7,407,742

- Includes Storm Water, Sewer and Water Utility Funds.
- \$3,559,750 in possible infrastructure improvements.
- 100% of operating expenses covered by rates.
- Depreciation expense of \$770,000.

# Utility Rates

- ⇒ Rates are intended to cover operations and 75% of depreciation.
  - Water, Sanitary Sewer and Storm Water rates were reviewed and adjusted.
    - Rates should cover operating costs and 75% of depreciation costs.
    - Reviewed annually.
    - Water and Sanitary Sewer Fund budgets include \$1,505,000 and \$1,784,750 of system improvements respectively.
    - Storm Water Fund has \$270,000 of system improvements budgeted.

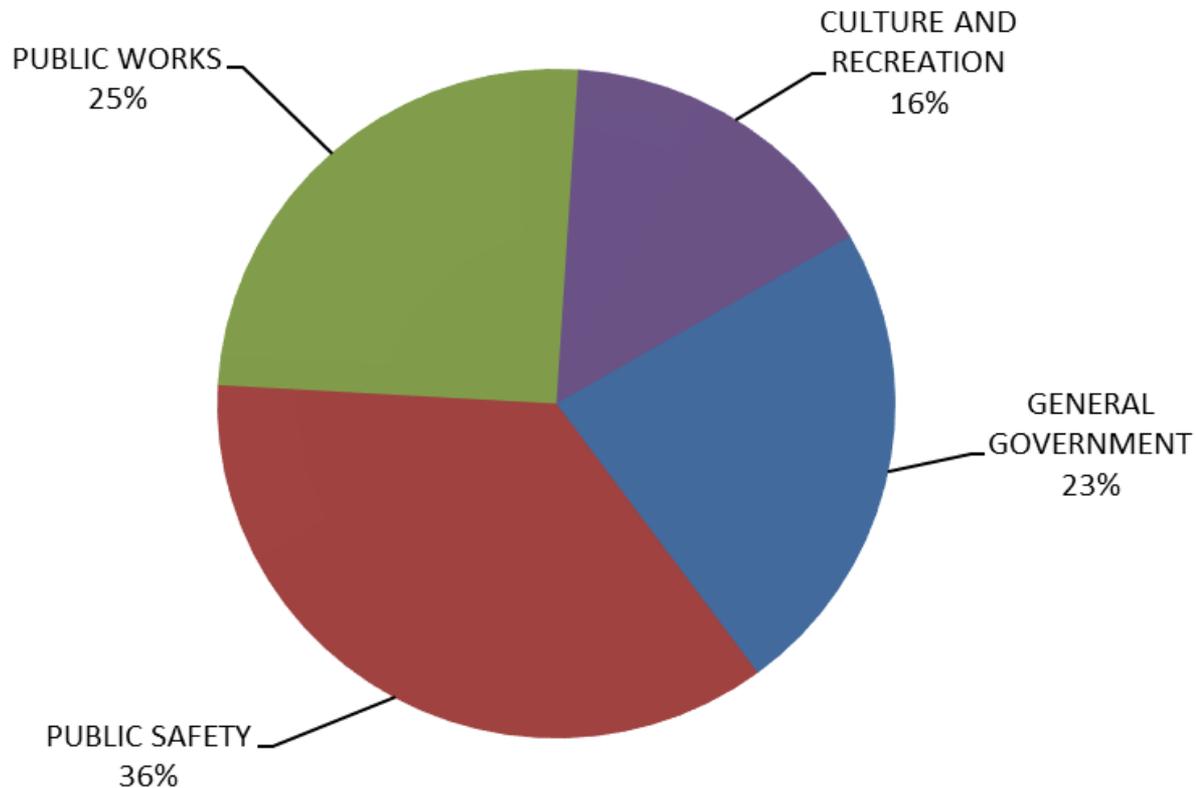
# General Fund

Accounts for the day to day operations of the Township.

- ❖ General Fund budget is proposed to increase 3.39%.
- ❖ Main revenue source is property taxes.
- ❖ Balanced budget.

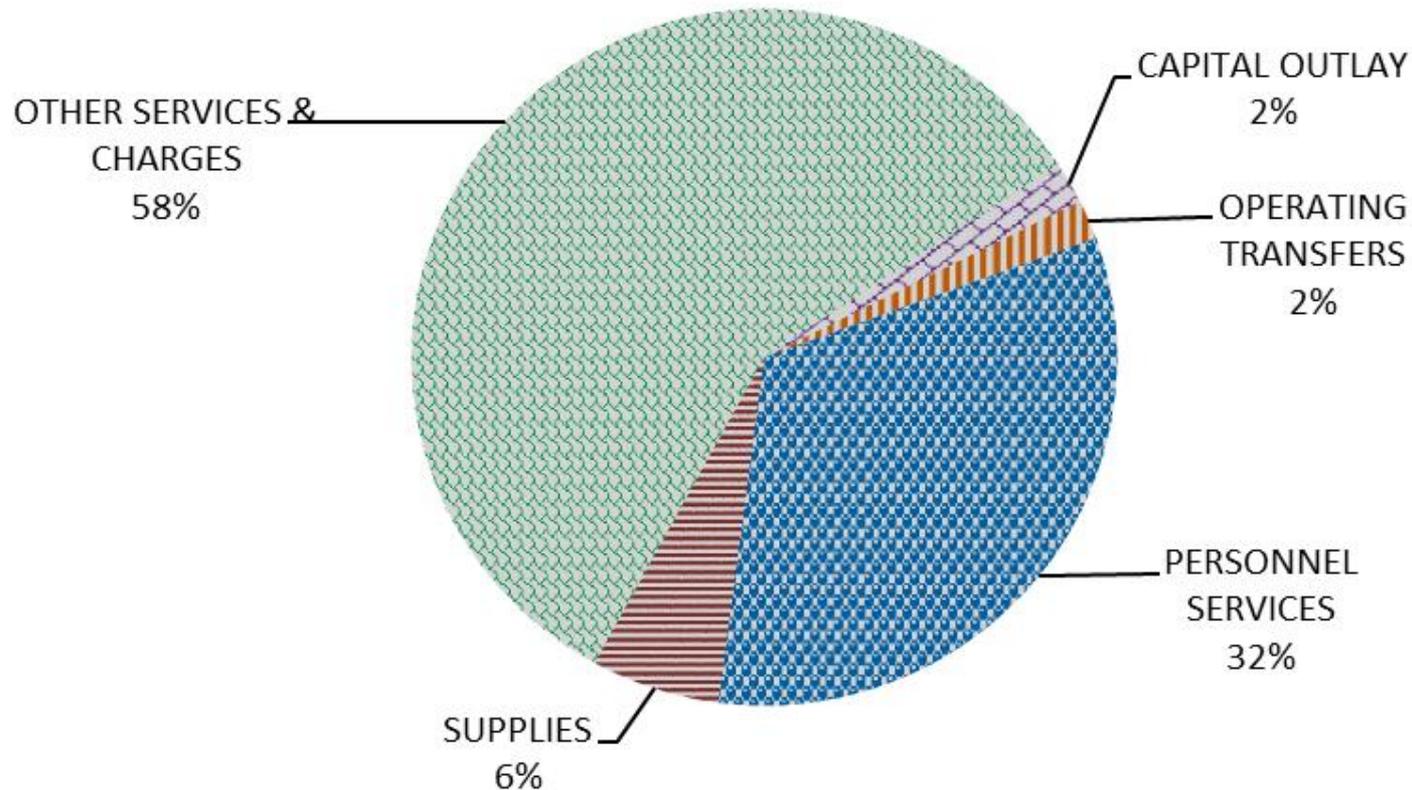
# 2017 Proposed General Fund Expenditures of \$3,878,932

## EXPENDITURES BY DEPARTMENT



# 2017 Proposed General Fund Expenditures by Function \$3,878,932

## EXPENDITURE BY FUNCTION



# PERSONNEL SERVICES

⇒ \$1,265,249 in General Fund.

- 3.09% increase from 2016.
- Maintains full-time employees at 18.
- Includes funding for summer seasonal positions.
- Includes PERA & FICA, health and workers compensation insurance.
  - Health insurance decreased 9.62%.

# SUPPLIES

- ⇒ \$229,395 in General Fund.
  - 5.91% of proposed 2017 GF budget.
  - \$7,086 decrease from 2016.
  - Includes office supplies, salt, sand, chemicals and street maintenance materials.

# OTHER SERVICES & CHARGES

⇒ \$2,237,288 in General Fund.

- 57.68% of proposed 2017 GF budget.
- 5.88% increase from 2016.
- Includes professional fees (audit, engineering and legal).
- Contracted services for sheriff department increased 4.33%, and Fire contract increased 3.99%.
  - Public Safety Department makes up 36.01% of GF budget.

# CAPITAL OUTLAY

- 1.96% of proposed 2017 GF budget.
- Based on 5-year CIP.
- Includes improvements to Bellaire Beach, playground equipment replacement at Apple Tree Park, and trail development.

# TRANSFERS

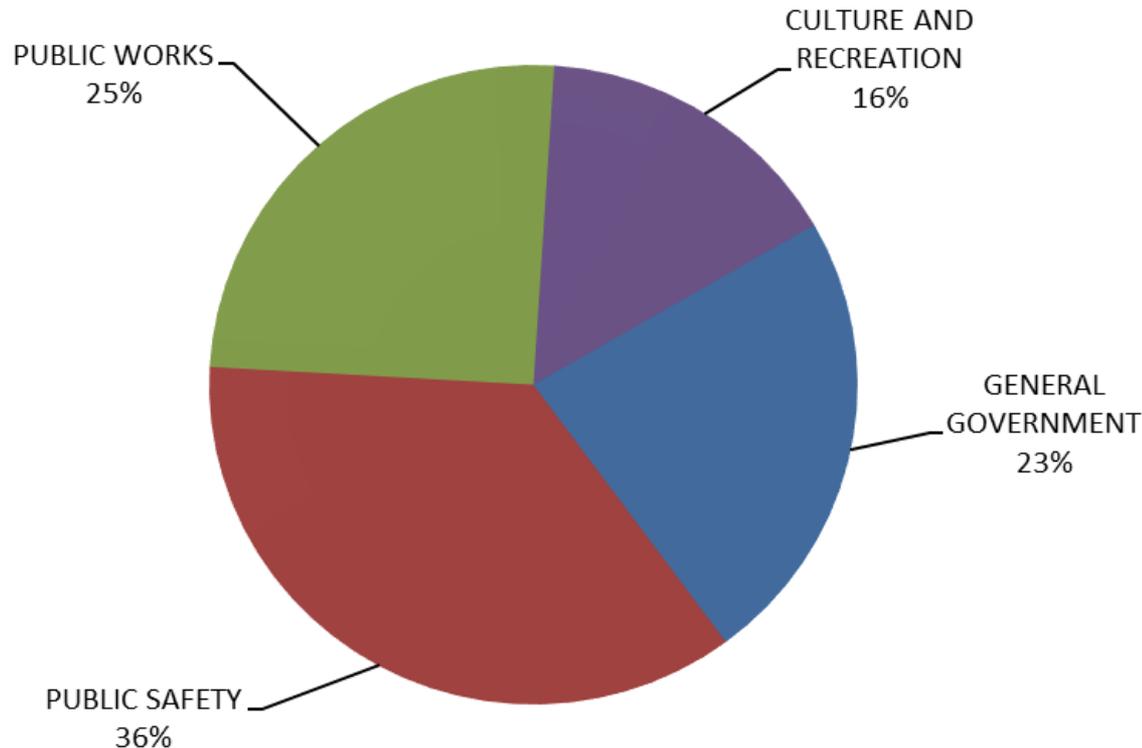
## General Fund

⇒ \$71,000 in General Fund.

- 1.83% of proposed GF budget.
- \$13,000 increase from 2016.
- Represents transfers between funds
- The transfers is to the Improvement Fund (2017 Sealcoating program estimated at \$135,000).

# 2017 Proposed General Fund Expenditures of \$3,878,932

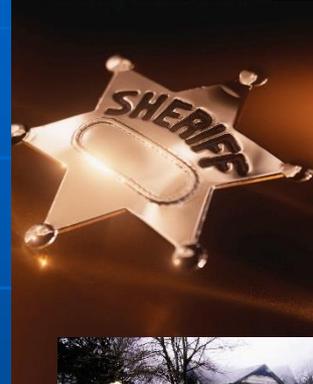
## EXPENDITURES BY DEPARTMENT



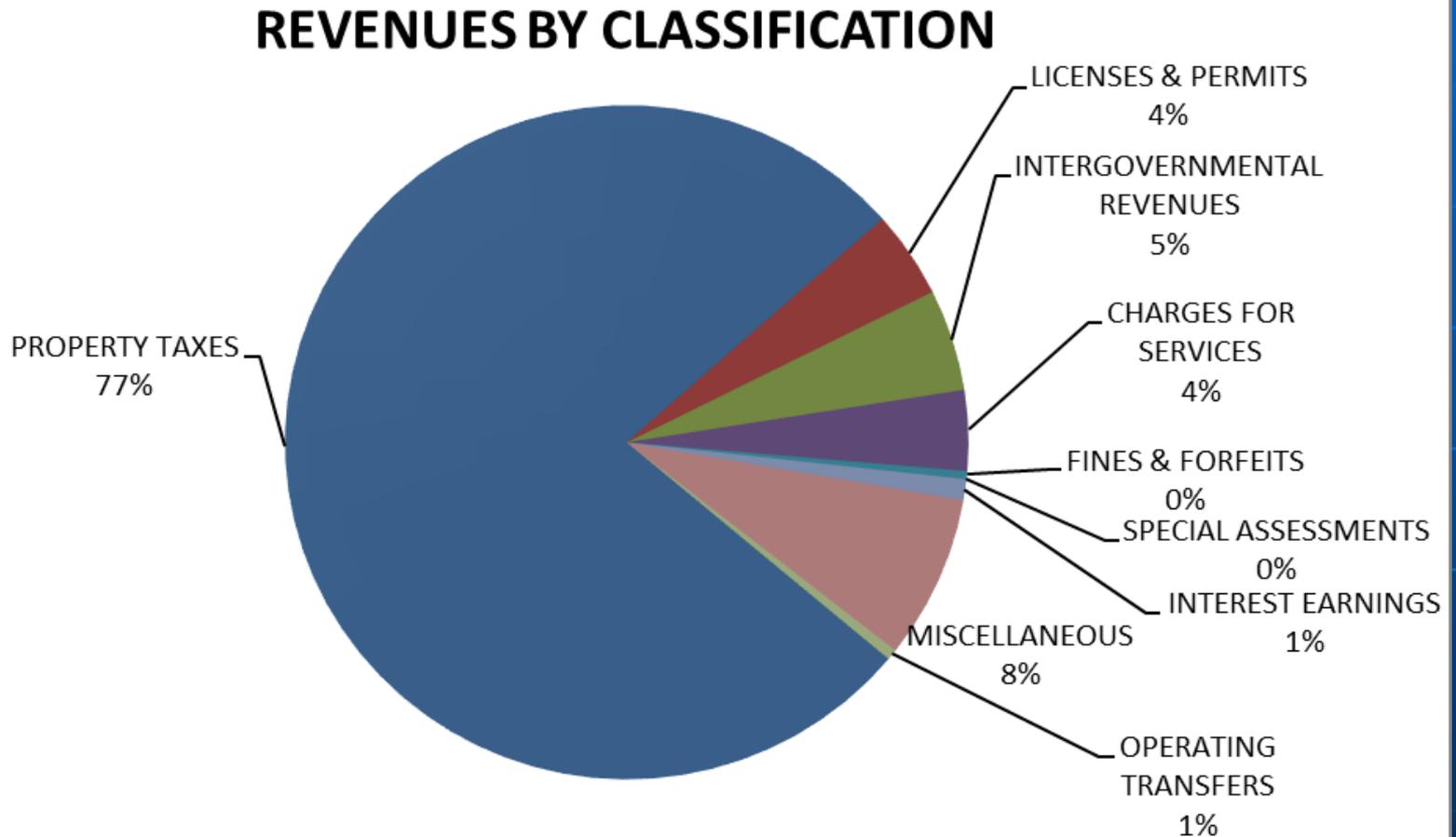
Increased 3.39% or \$127,097 from 2016

# 2017 Proposed General Fund Expenditures of \$3,878,932

- Public Safety Budget of \$1,396,778, an increase of 4.27%.
- Public Works increased 7.21% to \$975,083.
- General Government increased \$27,271 to \$900,400.
- Park & Recreation decreased 3.65% to \$606,670.
  - Park Improvements decreased \$41,000.



# General Fund Revenues



# General Fund Property Taxes

- ⇒ Largest revenue source.
- ⇒ Proposed to increase 2.25%.
- ⇒ Fiscal Disparities Revenue will be \$276,309, which is a 12.54% increase.
- ⇒ General Fund Tax levy proposed at \$2,723,691.
  - ⇒ Is a 1.31% increase.

# Property Tax System Factors

- Ramsey County Assessor determines market values.
- Property class rates are established by the State of Minnesota.
- Class rates applied to market value to establishes tax capacity.
- Town establishes property tax levy.
- The tax levy is divided by the tax capacity value to determine the tax rate.
- Tax rate multiplied by individual tax capacity to determine property taxes owed.

# ESTIMATED PAYABLE 2017 TAX CAPACITY (for local rate)

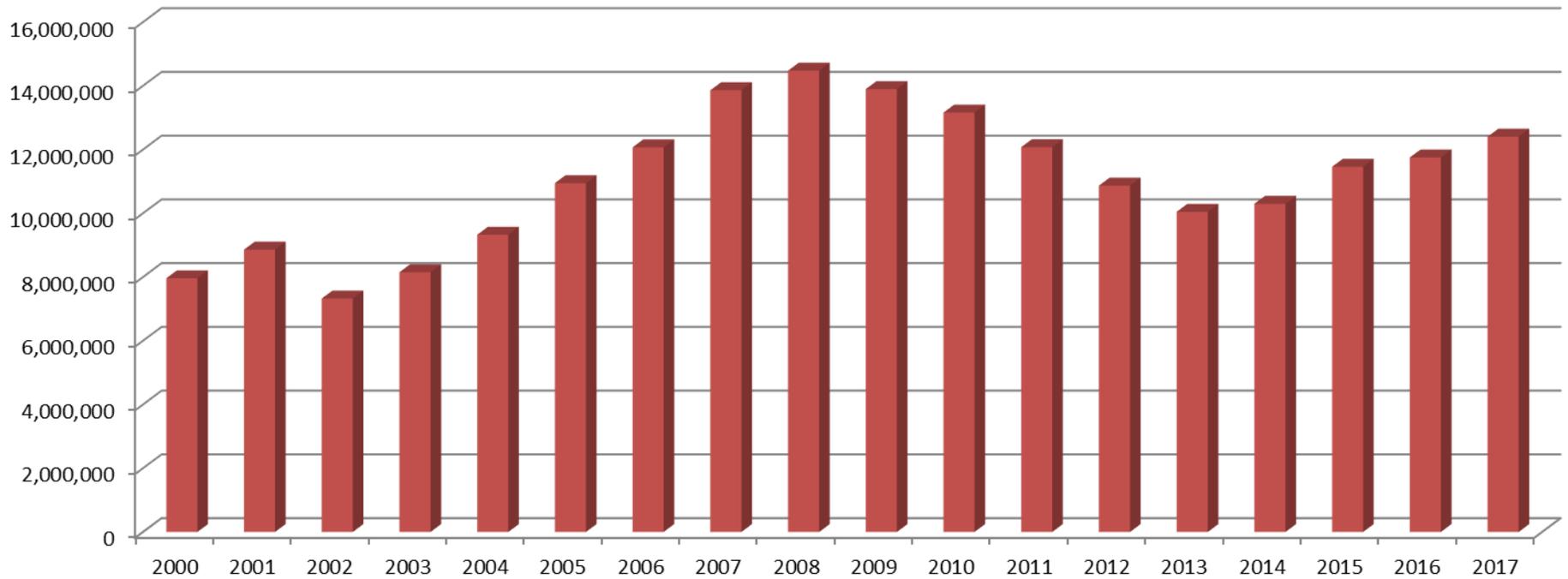
Real Property	\$ 14,083,496
Personal Property	<u>124,792</u>
Total Tax Capacity	\$ 14,208,288
Less:	
Tax Increment Tax Capacity	601,723
Fiscal Disparity Contribution	<u>1,202,719</u>
Taxable Tax Capacity	\$ 12,403,846

Represents an INCREASE of \$651,287  
or 5.54% from payable 2016

# Tax Capacity increased 5.54%

## \$12,403,846

Tax Capacity

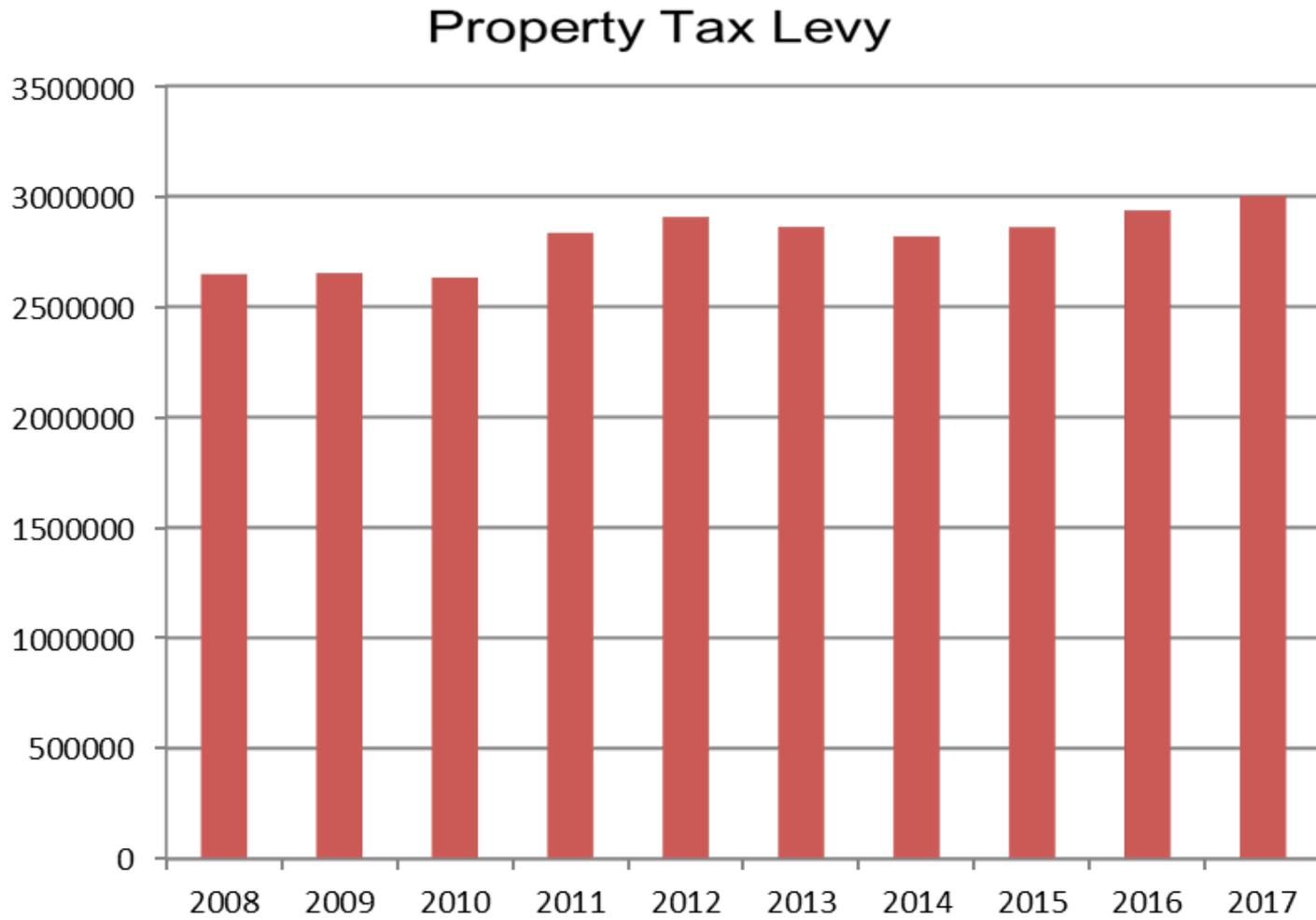


# Proposed 2017 Property Tax Levy

Property Tax	\$2,723,691
Fiscal Disparities	<u>276,309</u>
Total Operating Levy	
Based on Tax Capacity	\$3,000,000

- 2.25% increase from 2016 levy.
- 3.30% increase since 2012 levy.

# Proposed 2017 Property Tax Levy



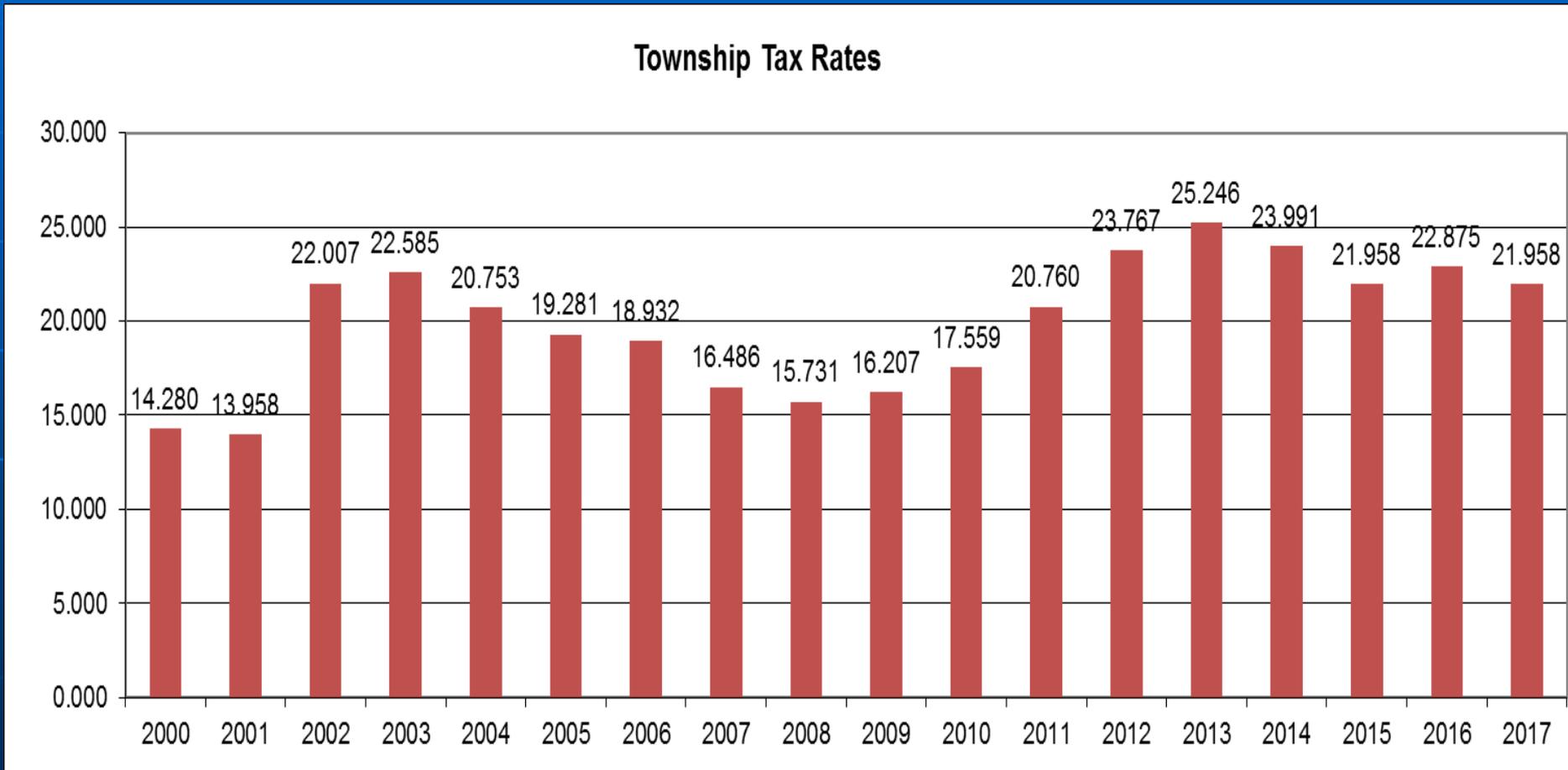
# LOCAL TAX CAPACITY RATE

	Tax Capacity Value	Tax Capacity Rate	Tax Levy	% Change	Market Value	MV Levy	MV Rate	% Change
2000	7,962,835	14.280	1,430,210		N/A	0	0.00000%	0.00%
2001	8,861,039	13.958	1,571,840	9.90%	N/A	0	0.00000%	0.00%
2002	7,325,884	22.007	1,798,889	14.44%	779,634,700	0	0.00000%	0.00%
2003	8,151,205	22.585	2,029,804	12.84%	876,861,100	0	0.00000%	0.00%
2004	9,327,370	20.753	2,146,075	5.73%	1,009,884,700	0	0.00000%	0.00%
2005	10,946,447	19.281	2,347,236	9.37%	1,155,507,300	0	0.00000%	0.00%
2006	12,070,865	18.932	2,285,293	-2.64%	1,299,810,400	0	0.00000%	0.00%
2007	13,862,004	16.486	2,285,293	0.00%	1,425,552,600	0	0.00000%	0.00%
2008	14,477,433	15.731	2,277,395	-0.35%	1,465,891,200	48,000	0.00327%	0.00%
2009	13,896,548	16.207	2,252,269	-1.10%	1,413,918,200	60,000	0.00424%	100.00%
2010	13,160,892	17.559	2,310,965	2.61%	1,351,529,600	65,000	0.00481%	13.33%
2011	12,075,072	20.760	2,506,785	8.47%	1,248,832,400	70,000	0.00561%	16.55%
2012	10,870,000	23.767	2,583,424	3.06%	1,169,000,000	75,000	0.00642%	14.46%
2013	10,046,278	25.246	2,536,239	1.17%	1,087,920,400	55,000	0.00506%	-9.81%
2014	10,298,195	23.991	2,470,650	-2.59%	1,122,774,400	55,000	0.00490%	-3.10%
2015	11,461,123	21.958	2,525,000	2.20%	1,224,185,300	65,000	0.00531%	8.39%
2016	11,752,559	22.875	2,688,398	8.81%	1,247,653,500	0	0.00000%	-100.00%
2017	12,403,846	21.958	2,723,691	7.87%	1,296,471,700	0	0.00000%	0.00%

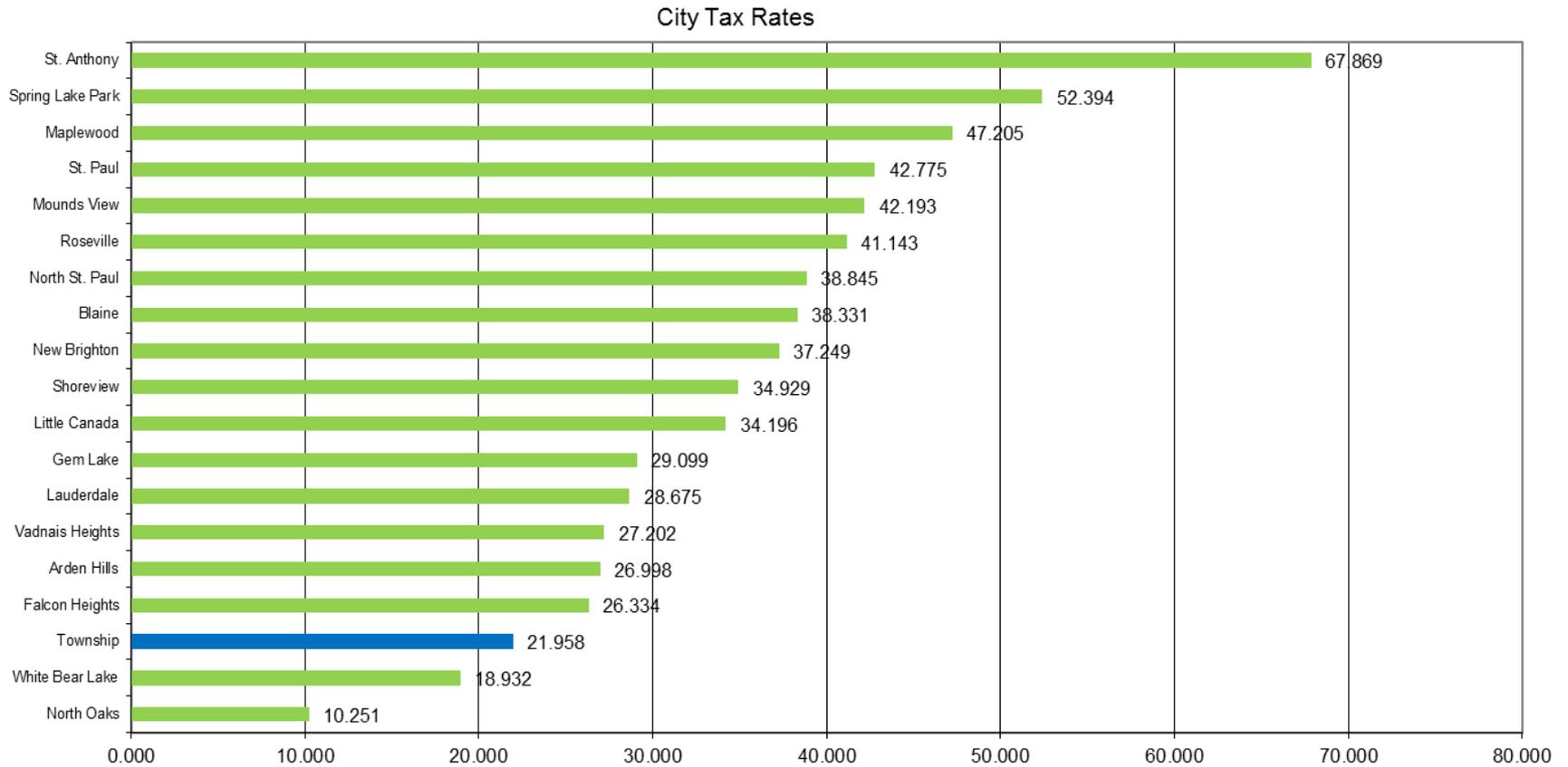
\*\*\*Tax capacity is the preliminary value for 2017 provided by Ramsey County on November 15, 2016.

# Town's Proposed 2017 Tax Rate

## 21.958%



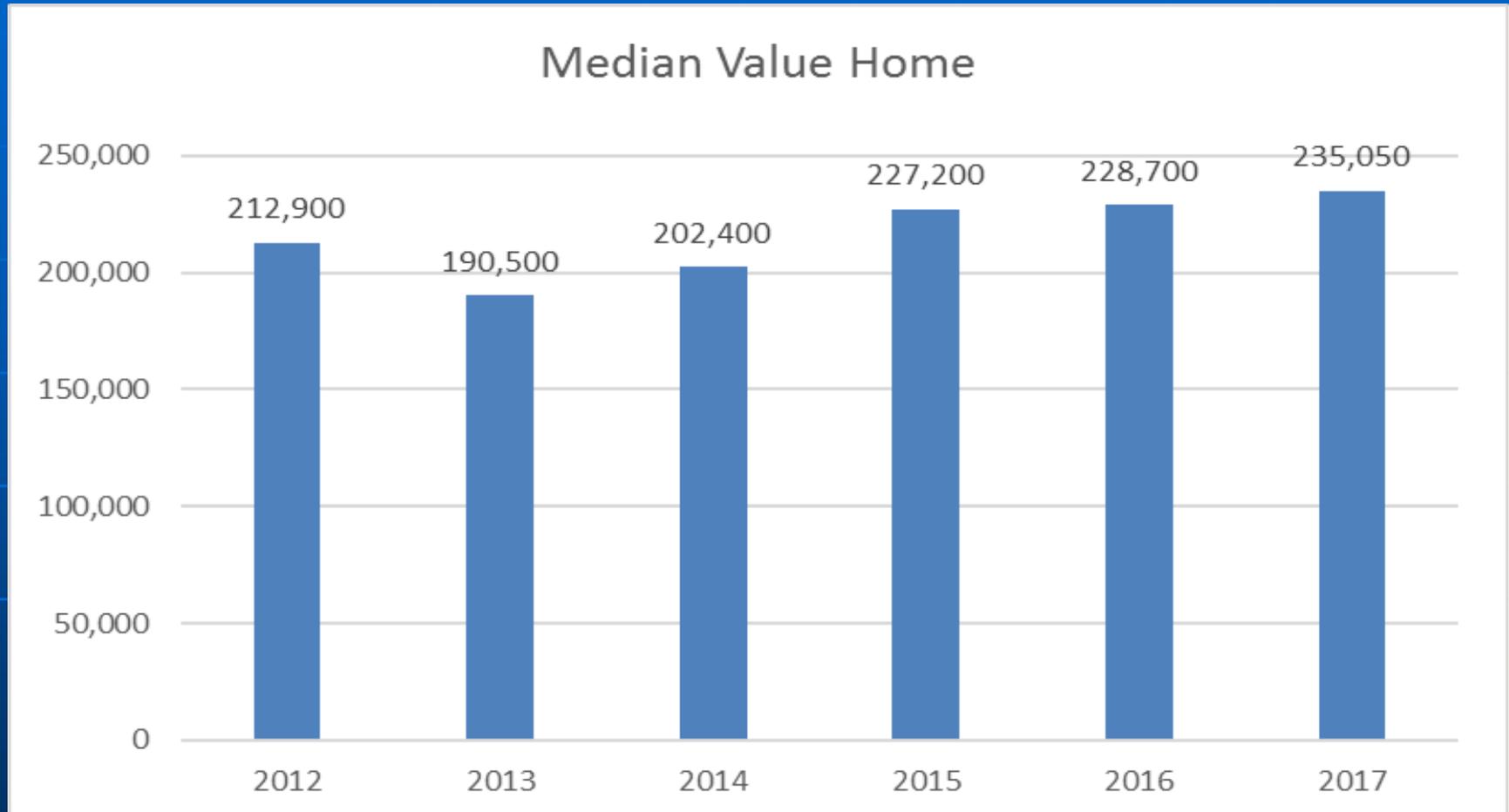
# Tax Rates in Ramsey County (Township is 3<sup>rd</sup> Lowest)



# Changes in Total Property Tax Residential Parcels

- ⇒ Set by Ramsey County.
- ⇒ 49.61% of properties had decreases or no change (2,245 parcels).
- ⇒ 46.17% of properties had and increase of 0% - 10% (2,089 parcels).
- ⇒ 2.32% of properties had an increase of 10% - 20% (105 parcels).
- ⇒ 1.90% of properties had increases greater than 20% (86 parcels).

# CHANGE IN MEDIAN VALUE HOME

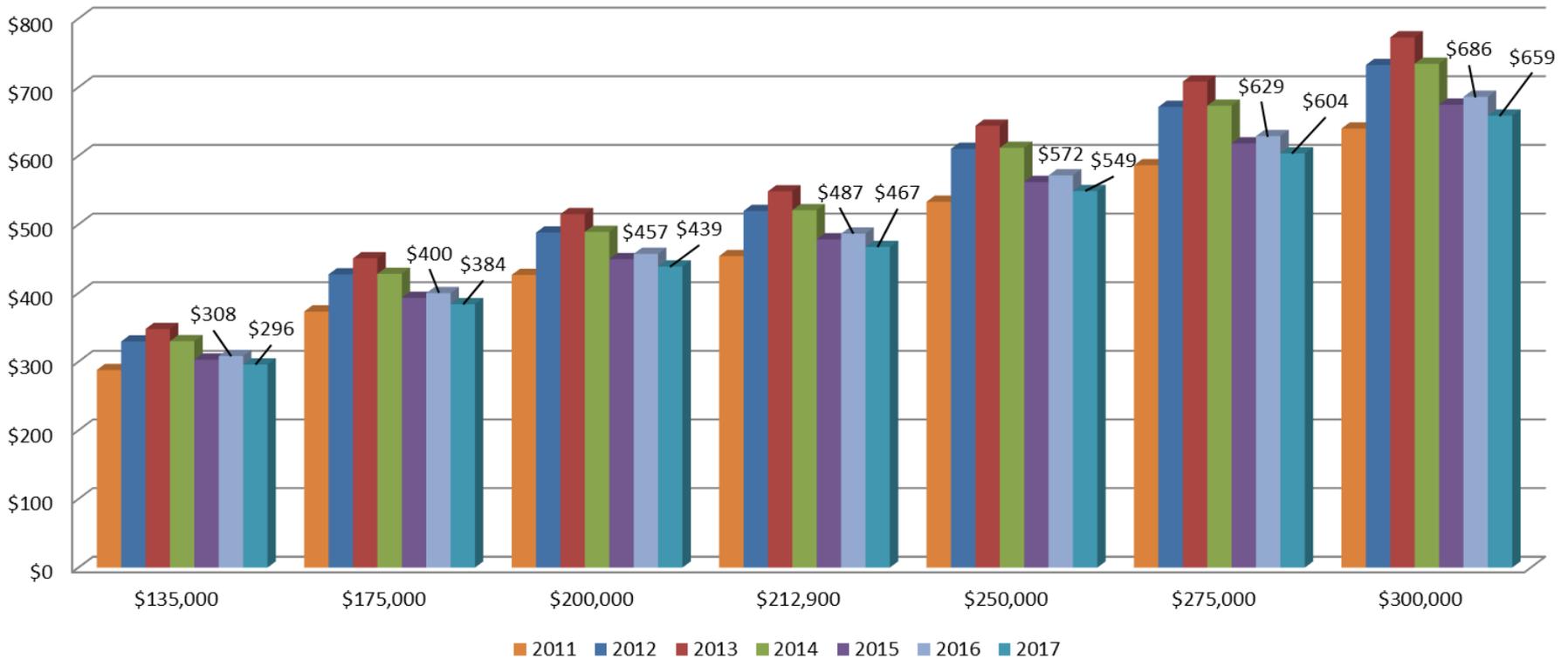


An increase of 2.8% from 2016.

# Examples of Property Taxes

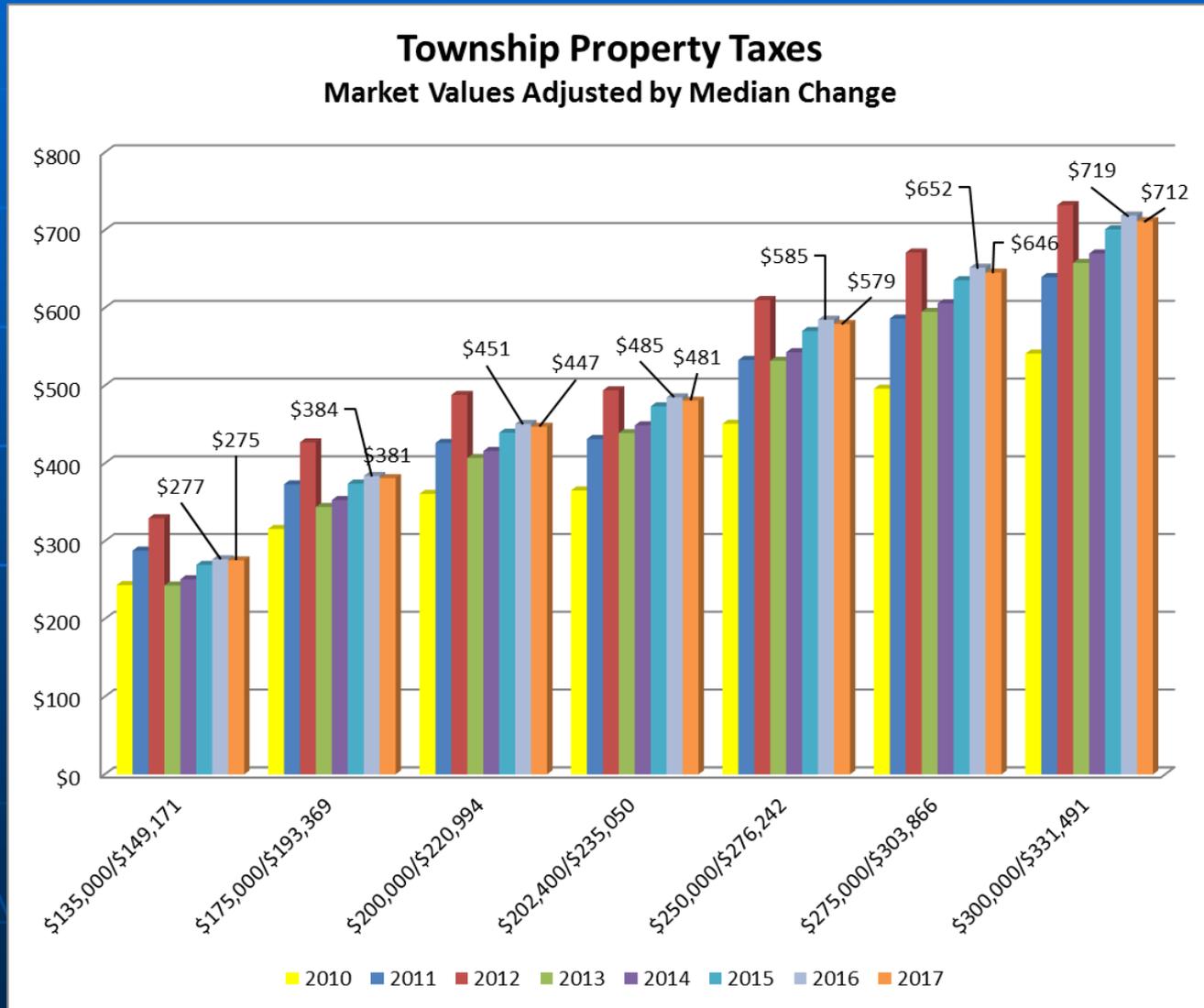
(NO change in ESTIMATED market value)

**Township Property Taxes**  
No Change in Market Value



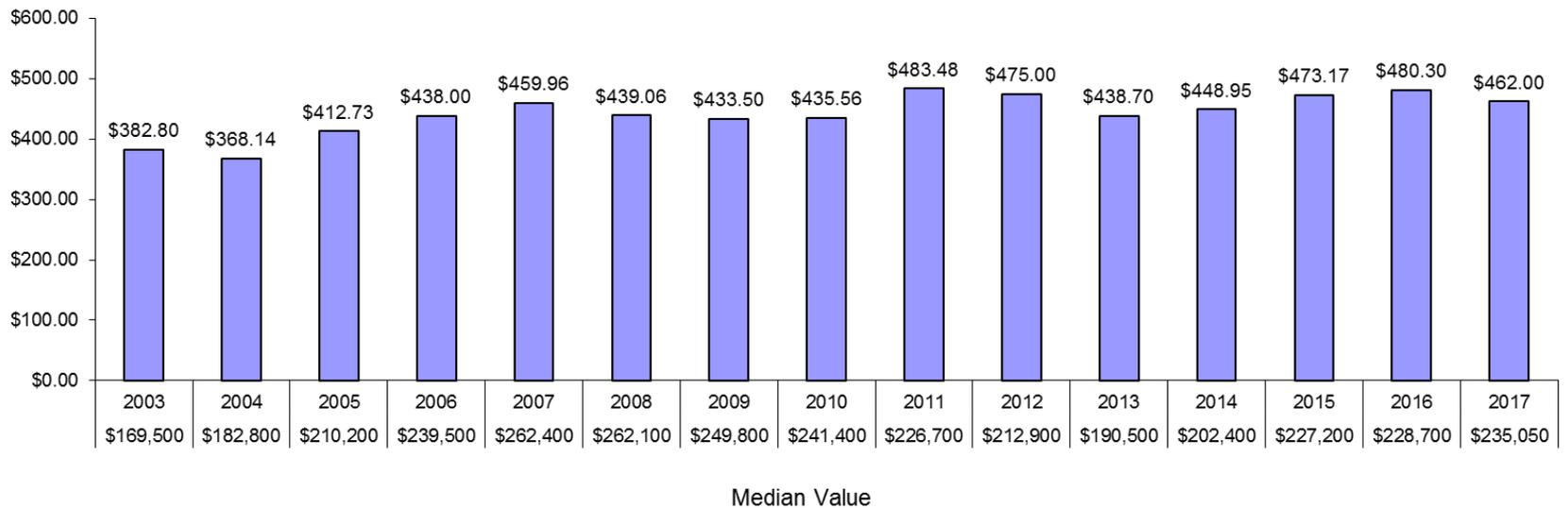
# Examples of Property Taxes

(2.8% ESTIMATED market value increase)



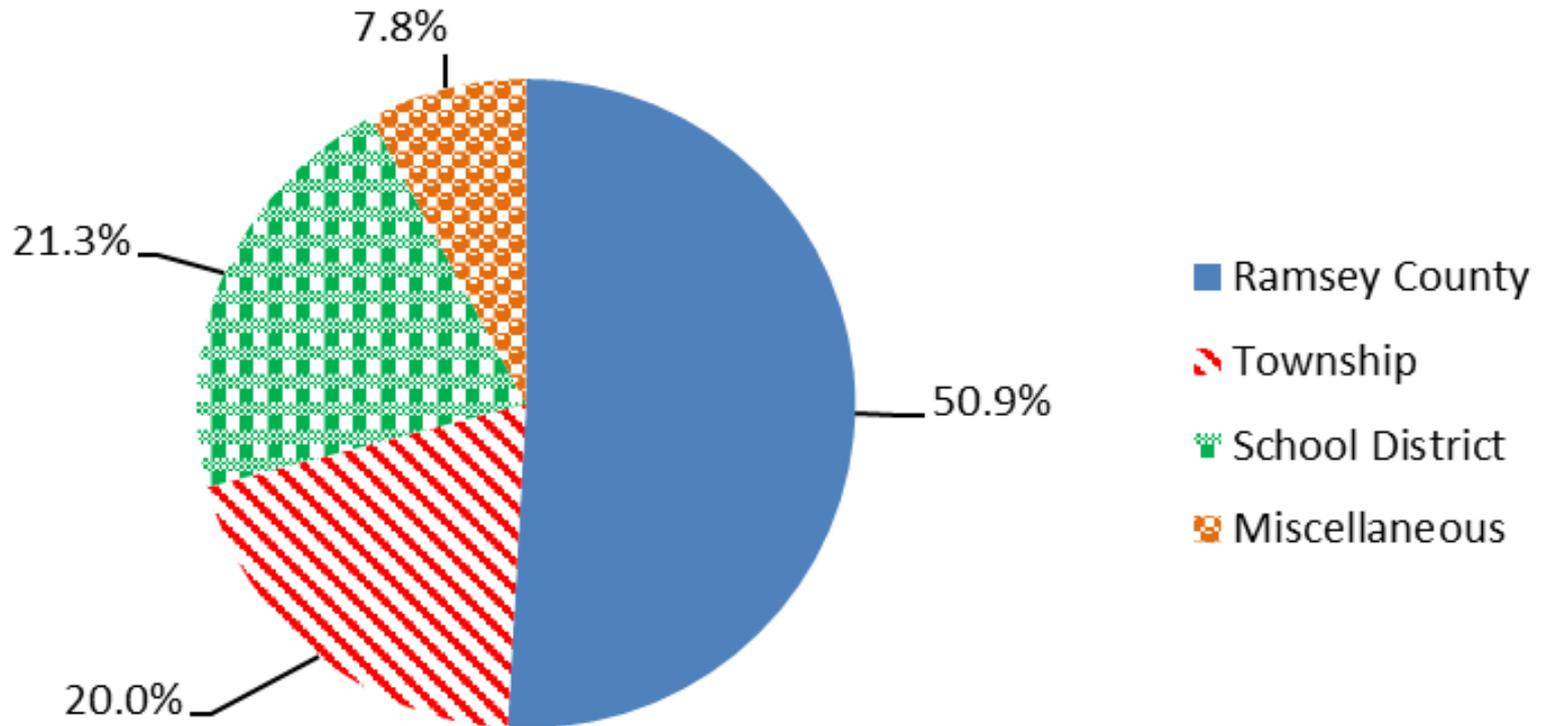
# Township Property Taxes on Median Valued Home Last 15 Years

Median Valued Home Property Taxes



# 2017 Property Tax Breakdown

## Property Tax Breakdown



# Proposed 2017 Monthly Township Service Costs

➤ Public Safety	\$13.25
➤ Public Works	\$11.33
➤ General Government	\$8.67
➤ Parks & Recreation	<u>\$6.92</u>
<b>Total</b>	<b>\$40.17</b>

 Homeowner  
 1281 Hammond Road  
 White Bear Township, MN 55110

11638

Date January 1, 2016

Pay to the Order of White Bear Township \$ 40.17

Forty & 17/100 Dollars  Security Features Details on back

Memo Homeowner

⑈ 85871713 ⑈ 18635887571 ⑈ 11638

(Based on estimated annual Township taxes of \$480.81 for a home valued at median value of \$235,050 for 2017)

# 2017 Proposed Budget

View Budget and Other Township  
information at:

[www.whitebeartownship.org](http://www.whitebeartownship.org).

Or

on the Township Facebook Page

[https://www.facebook.com/WhiteBear  
TownshipMNOfficialSite](https://www.facebook.com/WhiteBearTownshipMNOfficialSite)

# Town Website

- Notify Me
- Report a Concern
- Online Utility Billing
- Watch Town Board Meetings
  - Next Day

# Summary:

- ❖ Total Expenditures for all Funds \$14,147,874.
  - ❖ Increase of 7.45%
- ❖ Total General Fund \$3,878,932.
  - ❖ Increase of 3.42%
- ❖ Total Property Tax Levy of \$3,000,000.
  - ❖ Increase of 2.25%
- ❖ Tax Capacity of \$12,403,846
  - ❖ Increase of 5.54%
- ❖ 2017 Tax Rate of 21.958%
  - ❖ Decrease of 4.01% from 2016

????????????????????



Questions?



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# Action Requested:

Approve the 2017 Final Property Tax Levy of \$3,000,000 as proposed.

Recommend the 2017 General Fund Budget of \$3,878,932 as proposed.

# Schedule 2017 Special Town Meeting

Recommendation:

Tuesday, December 12, 2017

At 7:00 p.m.

At Heritage Hall

(Alternative Date: Thursday,  
December 14, 2017 at 7:00 p.m. at  
Heritage Hall)