

**WHITE BEAR TOWNSHIP**

**SPECIAL TOWN MEETING**

**DECEMBER 8, 2015**

**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 2016.

2015  
ADOPTED BUDGET  
and  
PROPERTY TAX LEVY  
RECAP

# 2015 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

- ü Property tax levy of \$2,858,283
  - Ø An increase of 1.5%.
  - Ø 1<sup>st</sup> year since 2012 with an increase.
  - Ø Debt levy of \$65,000.
  - Ø Operating levy of \$2,525,000.
  - Ø Fiscal Disparities of \$268,283.

# 2015 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

- ü General Fund budget of \$3,549,609
  - Ø Balanced budget.
  - Ø Increase of 1.68%.
  - Ø Public Safety continues to be largest budgeted expenditure area.
  - Ø Property taxes account for 78.69% of the revenues.

# 2015 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

ü 2015 Budget verses Actual (through November):

- Ø Collected 51% of property tax levy.
- Ø Collected 70% of General Fund revenues.
- Ø Spent 81% of budget.
- Ø All debt payments have been made.

2016  
PROPOSED  
BUDGET  
and  
PROPERTY TAX LEVY

# 2016 BUDGET PROCESS

## ü Budget Calendar:

F Preliminary levy presented at Annual Town Meeting March 10<sup>th</sup>.

F Started budget in May.

F Preliminary levy certified to County September 15<sup>th</sup>.

F 5-year CIP updated for approval by Town Board on December 21<sup>st</sup>.

- 1<sup>st</sup> year (2016) incorporated into 2016 Budget.

# 2016 BUDGET PROCESS

## ü Budget Calendar:

F Budget workshops between August and November.

F Budget & tax levy presentation to residents December 8<sup>th</sup>.

F Residents approve tax levy.

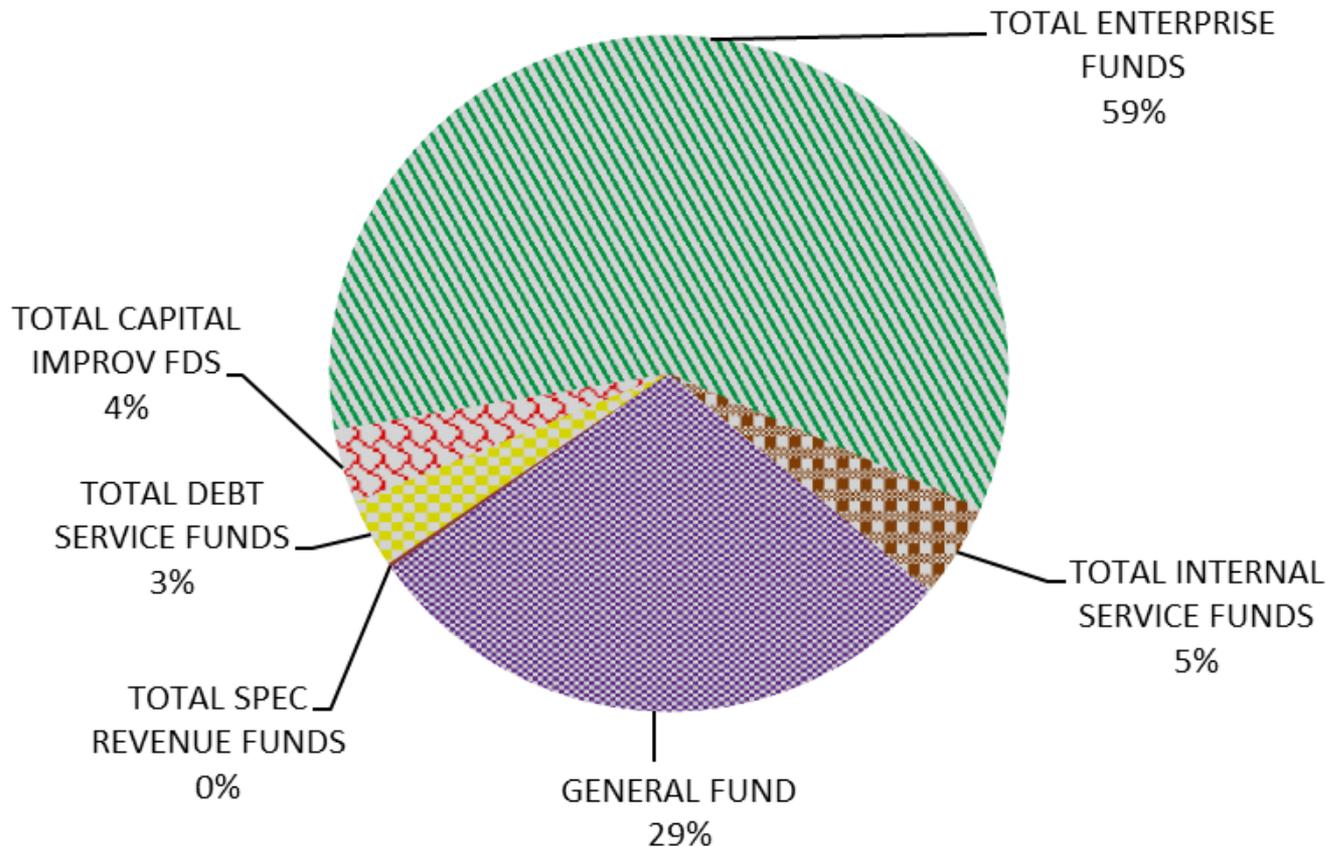
F Final levy certified to County by December 29<sup>th</sup>.

F January 1<sup>st</sup> fiscal year begins.

# Proposed 2016 Budget

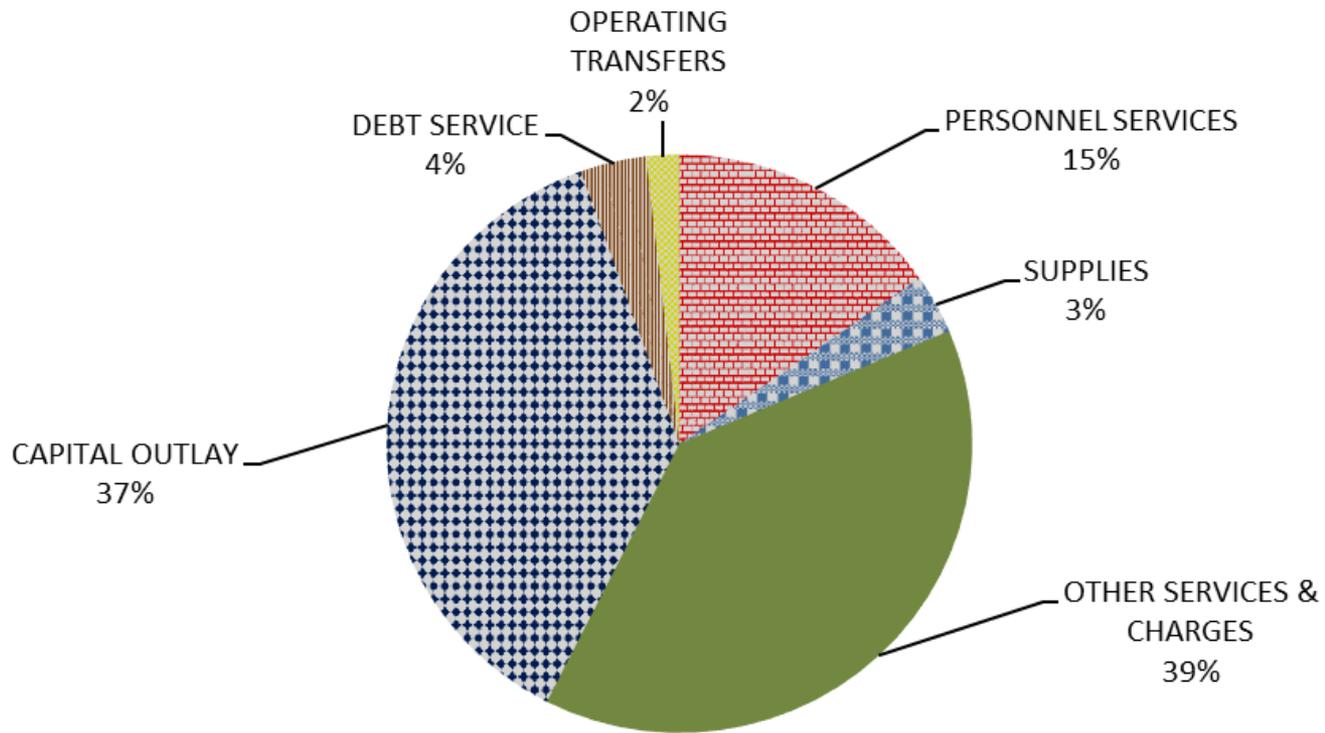
# Total Expenditure Budget \$12,769,380

## EXPENDITURES BY FUND TYPE



# Total Expenditure Budget \$12,769,380

## Expenditures by Function



# PERSONNEL SERVICES

Ø \$1,955,260 Total Budget - All Funds.

Ø 3.26% increase from 2015.

Ø 18 full-time for 2016.

Ø Includes summer seasonal positions.

Ø Includes PERA & FICA, insurances and workers compensation.

Ø 5.8% Increase in Health Benefits.

Ø 2.0% COLA 1/1.

Ø Current Union Contract Expires 12/31/15.

# SUPPLIES

Ø \$423,736 in Total Budgeted for All Funds.

Ø 6.08% increase from 2015.

Ø Includes salt, sand, chemicals and street maintenance materials.

Ø Chemical budget increased for road treatments and polyphosphates to improve water quality.

# OTHER SERVICES & CHARGES

Ø \$4,960,497 in Total Budgeted for All Funds.

Ø 1.78% decrease from 2015.

Ø Includes professional fees (elections, audit, engineering and legal).

Ø Includes contracted services for sheriff and fire (1.19% and 0.57% increase respectively). Represents 9.16% of total Town proposed budget.

# OTHER SERVICES & CHARGES (continued)

Ø \$4,960,497 in Total Budgeted for All Funds (continued).

Ø Includes other contracted services (beach operations, portable toilets, and water main repairs).

Ø \$80,500 to replace/maintain park assets.

Ø 5.92% increase from 2015.

Ø Includes utilities (electricity, gas, water and sewer).

# DEBT SERVICE

Ø \$419,846 in Total Budgeted for All Funds.

Ø 73.26% decrease from 2015.

Ø Includes principal, interest and fiscal fees on non-utility revenue bonds.

Ø Includes interest and fiscal fees on utility revenue bonds.

Ø In 2015 the 2004A Public Facility Bond was retired early.

Ø Eliminates the market value tax levy beginning in 2016.

# CAPITAL OUTLAY

Ø \$454,380 in Total Budgeted for All Funds.

Ø 79.36% decrease from 2015.

Ø 2016 include a mill & overlay street project & seal coat project.

Ø Includes \$117,000 in park improvements, capital building and equipment replacements/additions.

Ø An increase of 71.55%

# TRANSFERS

Ø \$233,662 in Total Budgeted for All Funds.

Ø 25.23% decrease from 2015.

Ø Represents transfers between funds.

Ø Includes transfers for:

Ø Debt funded by other sources other than special assessments or taxes.

Ø Funds for capital projects in 2016 and future projects.

# Proposed 2016 Budget by Fund Type

# Special Revenue Funds

Revenues - \$39,026  
Expenditures - \$26,000



# Debt Service Funds

Revenues - \$335,099

Expenditures - \$419,846

- ✓ Rated Aa2 by Moody's Investor Service.
- ✓ No debt levy in 2016.
  - ✓ Had debt levies from at least 1991.
- ✓ Debt per capita is \$369 as of 1/1/16.
  - ✓ In 2011 debt per capita was \$874.
- ✓ 1/1/16 outstanding debt of \$4,095,000.
  - ✓ \$3,375,000 outstanding as of 12/31/16.
  - ✓ Debt per capita of \$304 as of 12/31/16

# Capital Improvement Funds

Revenues - \$886,398

Expenditures - \$454,380



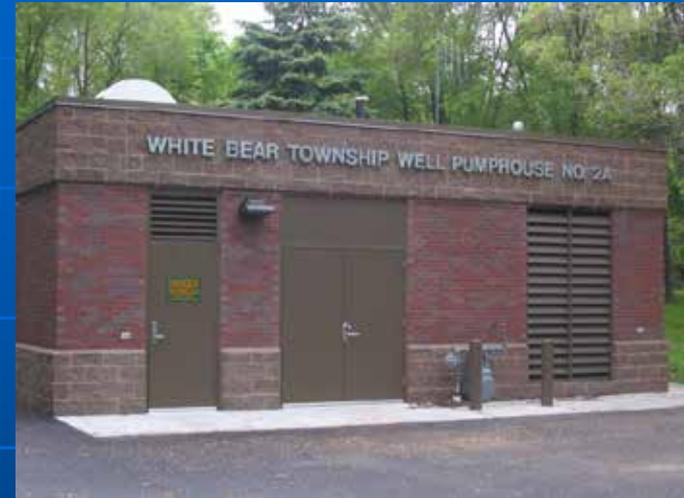
# Internal Service Funds

Revenues – \$493,601

Expenditures - \$586,350



# Enterprise Funds



# Enterprise Funds

Revenues – \$4,514,170

Expenses - \$7,558,320

- Ø Includes Storm Water, Sewer and Water Utility Funds.
- Ø \$3,750,00 in possible infrastructure improvements.
- Ø 100% of operating expenses covered by rates.
- Ø Depreciation expense of \$760,000.

# Utility Rates

Ø Rates are intended to cover operations and 75% of depreciation.

Ø Water, Sanitary Sewer and Storm Water rates were reviewed and adjusted.

Ø Rates should cover operating costs and 75% of depreciation costs.

Ø Reviewed annually.

Ø Water and Sanitary Sewer Fund budgets each include \$1,525,000 of system improvements.

Ø Storm Water Fund has \$700,000 of system improvements budgeted.

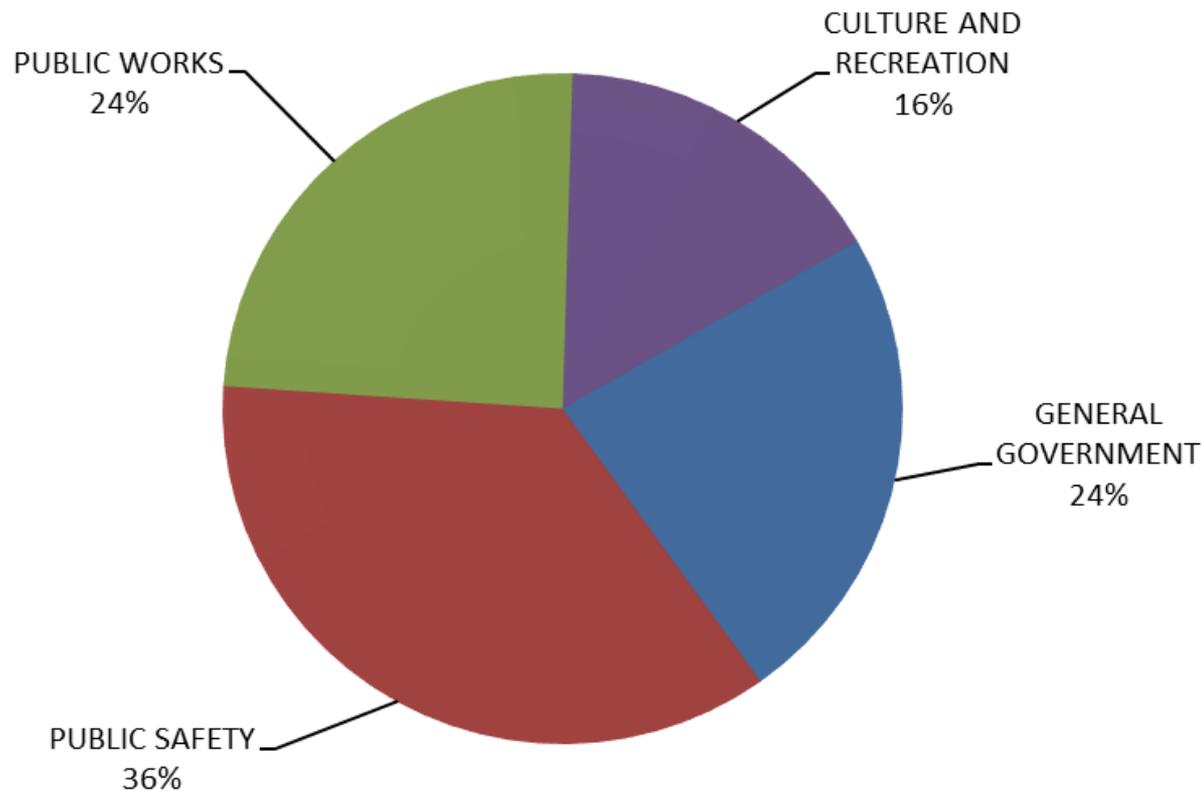
# General Fund

Accounts for the day to day operations of the Township.

- ✓ General Fund budget is proposed to increase 4.93%.
- ✓ Main revenue source is property taxes.
- ✓ Balanced budget.

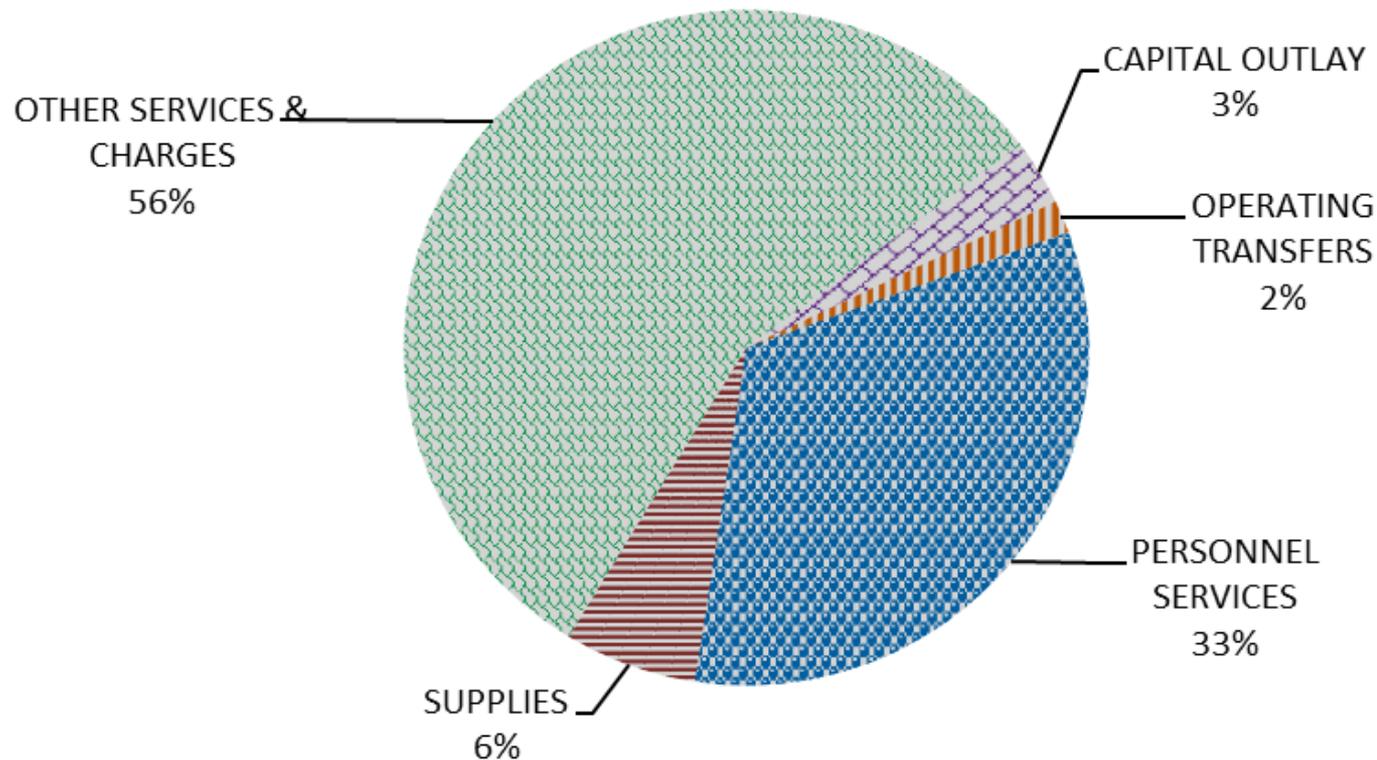
# 2015 Proposed General Fund Expenditures of \$3,724,485

## EXPENDITURES BY DEPARTMENT



# 2015 Proposed General Fund Expenditures by Function \$3,724,485

## EXPENDITURE BY FUNCTION



# PERSONNEL SERVICES

Ø \$1,227,362 in General Fund.

Ø 5.21% increase from 2015.

Ø Increases full-time employees to 18 for 2016.

Ø Adding a public works maintenance person beginning in May.

Ø Includes funding for summer seasonal positions.

Ø Includes PERA & FICA, health and workers compensation insurance.

Ø Health insurance increased 5.8%.

# SUPPLIES

- Ø \$234,131 in General Fund.
- Ø 6.29% of proposed 2016 GF budget.
- Ø \$2,190 decrease from 2015.
- Ø Includes office supplies, salt, sand, chemicals and street maintenance materials.

# OTHER SERVICES & CHARGES

Ø \$2,087,992 in General Fund.

Ø 56.05% of proposed 2016 GF budget.

Ø 3.14% increase from 2015.

Ø Includes professional fees (audit, engineering and legal).

Ø Contracted services for sheriff department increased 1.19%, and Fire contract increased 0.57%.

Ø Public Safety Department makes up 35.97% of GF budget

# CAPITAL OUTLAY

- Ø 3.14% of proposed 2016 GF budget.
- Ø Based on 5-year CIP.
- Ø Includes improvements to Eagle Park, tennis court reconstruction, and trail development.

# TRANSFERS

## General Fund

Ø \$58,000 in General Fund.

Ø 1.56% of proposed GF budget.

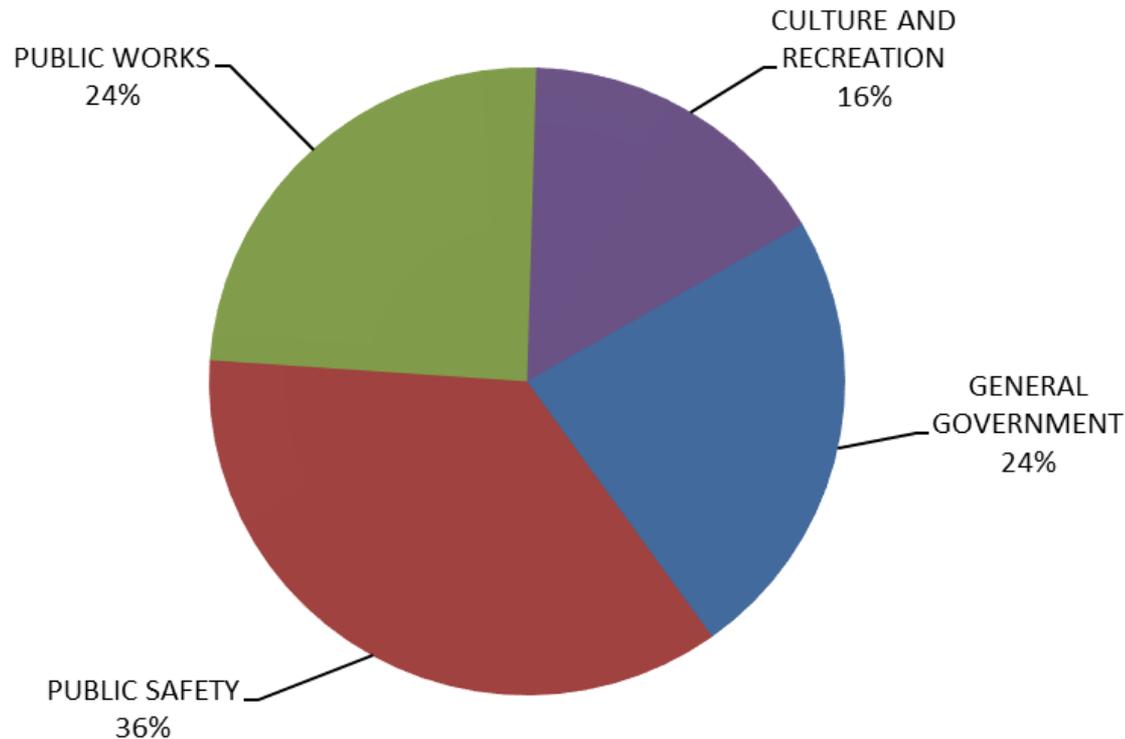
Ø \$4,000 increase from 2015.

Ø Represents transfers between funds

Ø The transfers is to the Improvement Fund (2016 Sealcoating program estimated at \$110,000).

# 2016 Proposed General Fund Expenditures of \$3,724,485

## EXPENDITURES BY DEPARTMENT



Increased 4.93% or \$174,876 from 2015

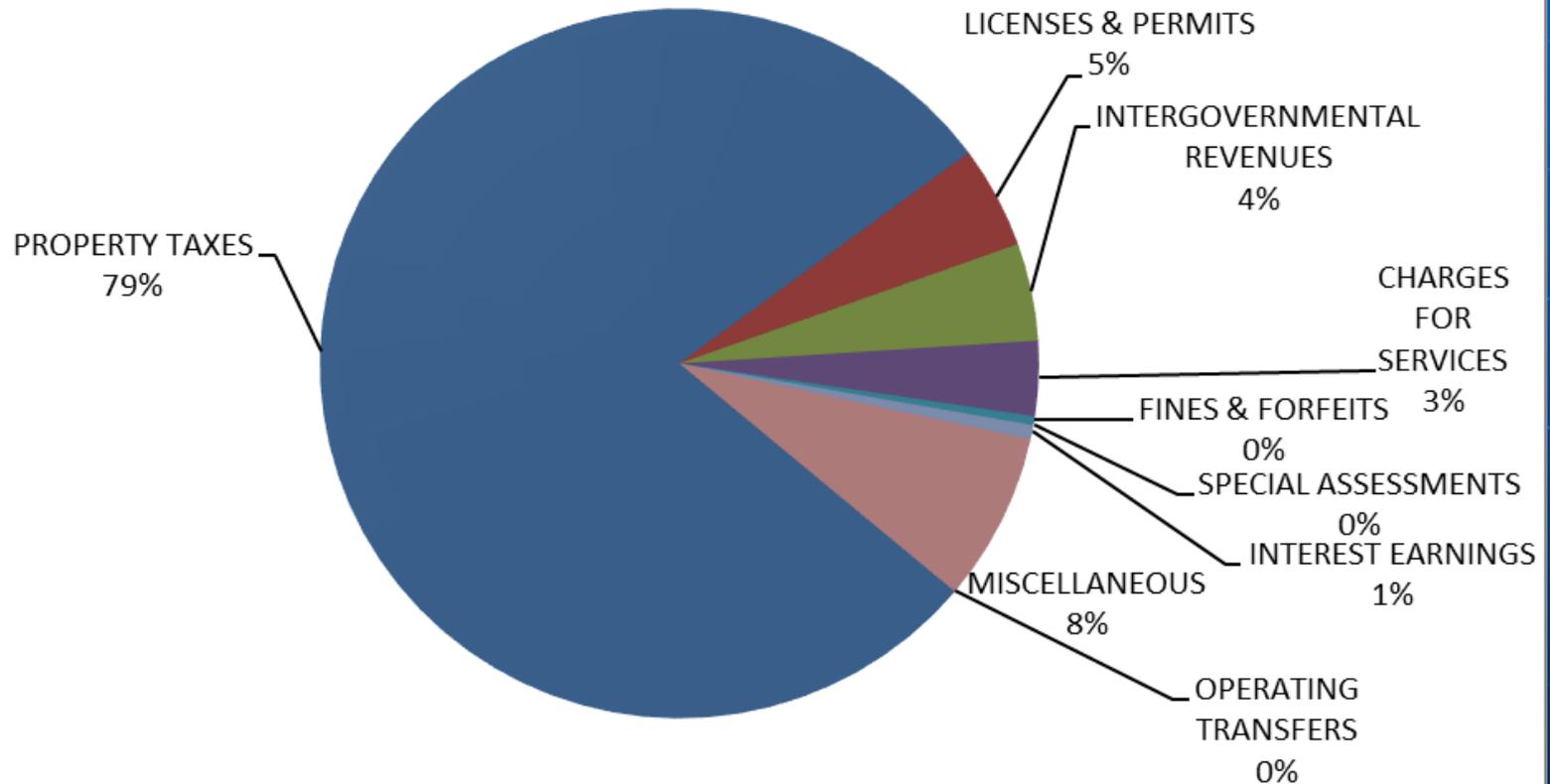
# 2015 Proposed General Fund Expenditures of \$3,724,485

- ∅ Public Safety Budget of \$1,339,544, an increase of 1.39%.
- ∅ Public Works increased 7.48% to \$908,156.
- ∅ General Government decreased \$11,772 to \$873,128.
- ∅ Park & Recreation increased 21.08% to \$603,656.
  - ∅ Park Improvements increased \$48,800.



# General Fund Revenues

## REVENUES BY CLASSIFICATION



# General Fund Property Taxes

- o Largest revenue source.
- o Proposed to increase 5.04%.
- o Fiscal Disparities Revenue will be \$245,528, which is a 8.48% decrease.
- o General Fund Tax levy proposed at \$2,688,398.
  - o Is a 6.47% increase.
  - o No Debt Levy results in a 2.65% levy 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 2015 TAX CAPACITY (for local rate)

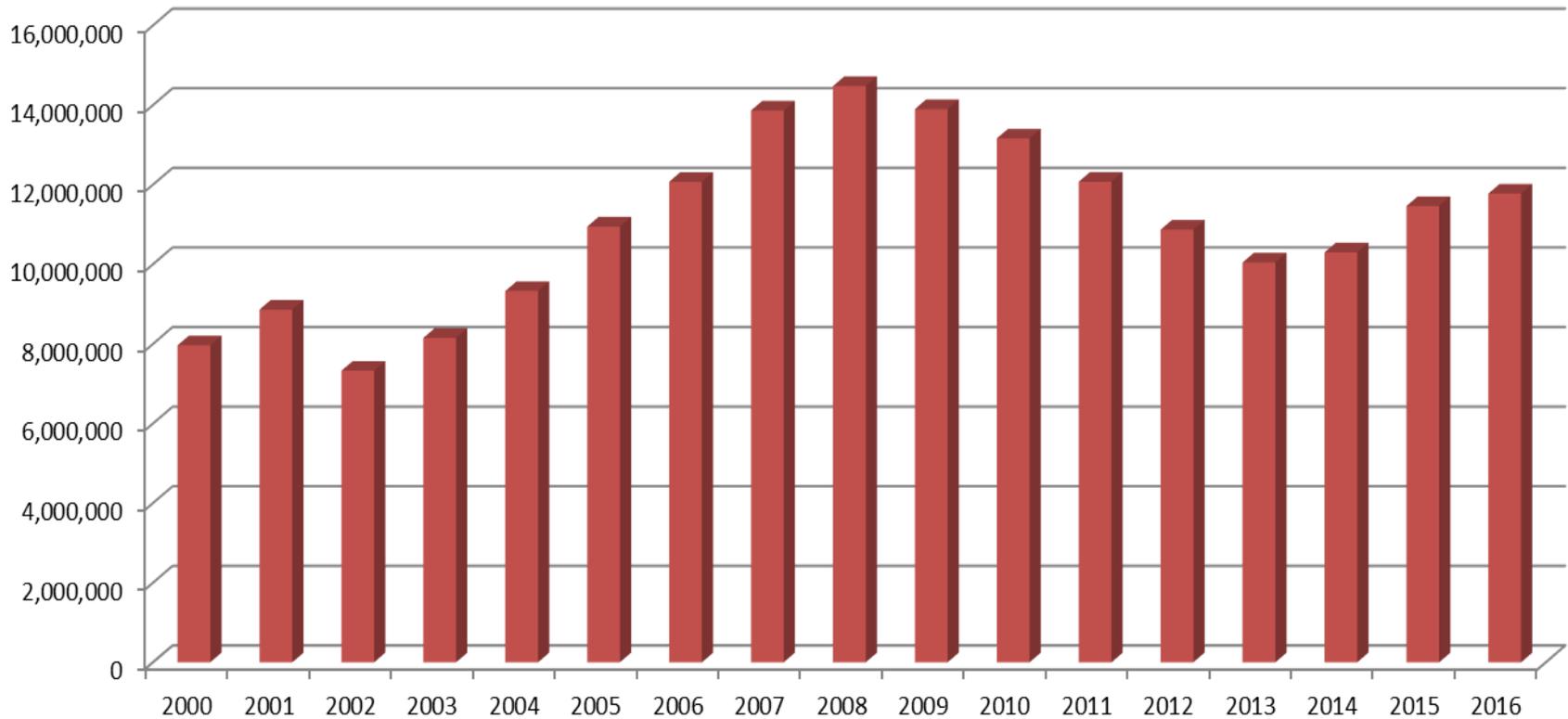
Real Property	\$ 13,433,027
Personal Property	<u>117,847</u>
Total Tax Capacity	\$ 13,550,874
Less:	
Tax Increment Tax Capacity	642,774
Fiscal Disparity Contribution	<u>1,131,392</u>
Taxable Tax Capacity	\$ 11,776,708

Represents an INCREASE of \$277,266  
or 2.41% from payable 2015

# Tax Capacity increased 2.41%

## \$11,776,708

### Tax Capacity Summary

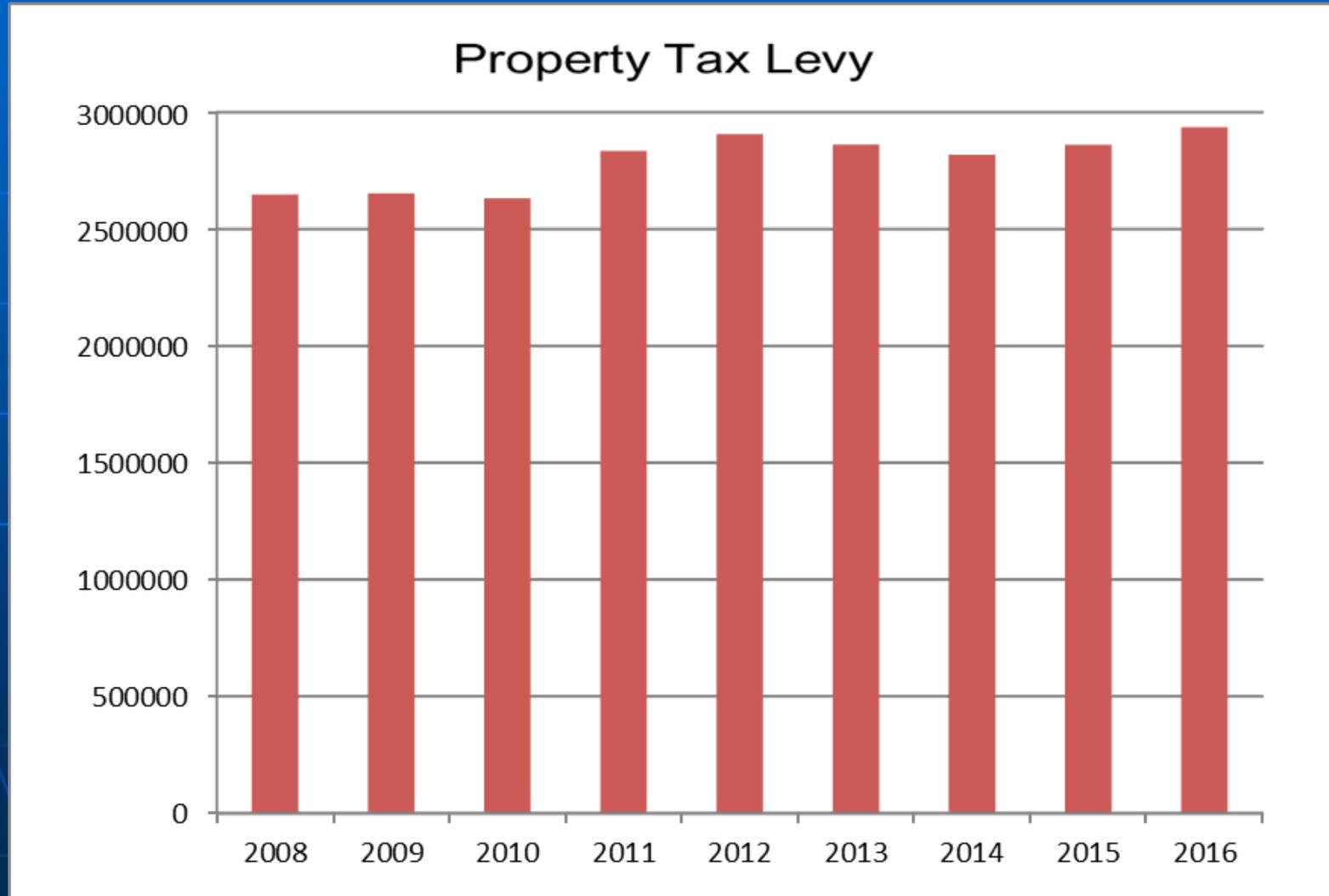


# Proposed 2016 Property Tax Levy

Property Tax	\$2,688,398
Fiscal Disparities	<u>245,528</u>
Total Operating Levy	
Based on Tax Capacity	\$2,933,926

Ø2.65% increase from 2015 levy.

# Proposed 2016 Property Tax Levy



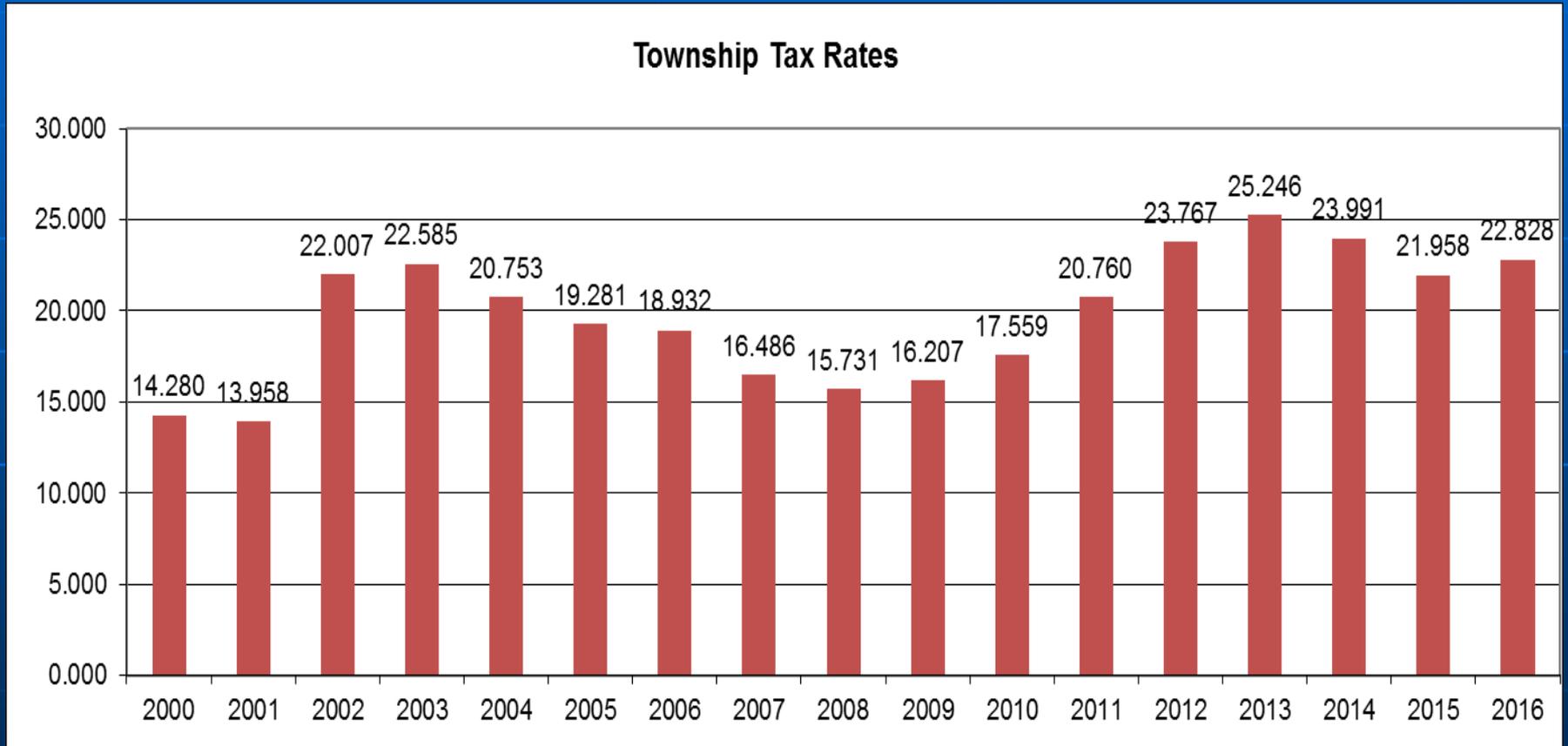
# LOCAL TAX CAPACITY RATE

	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	11,776,708	22.828	2,688,398	6.47%	1,247,653,500	0	0.00000%	-100.00%

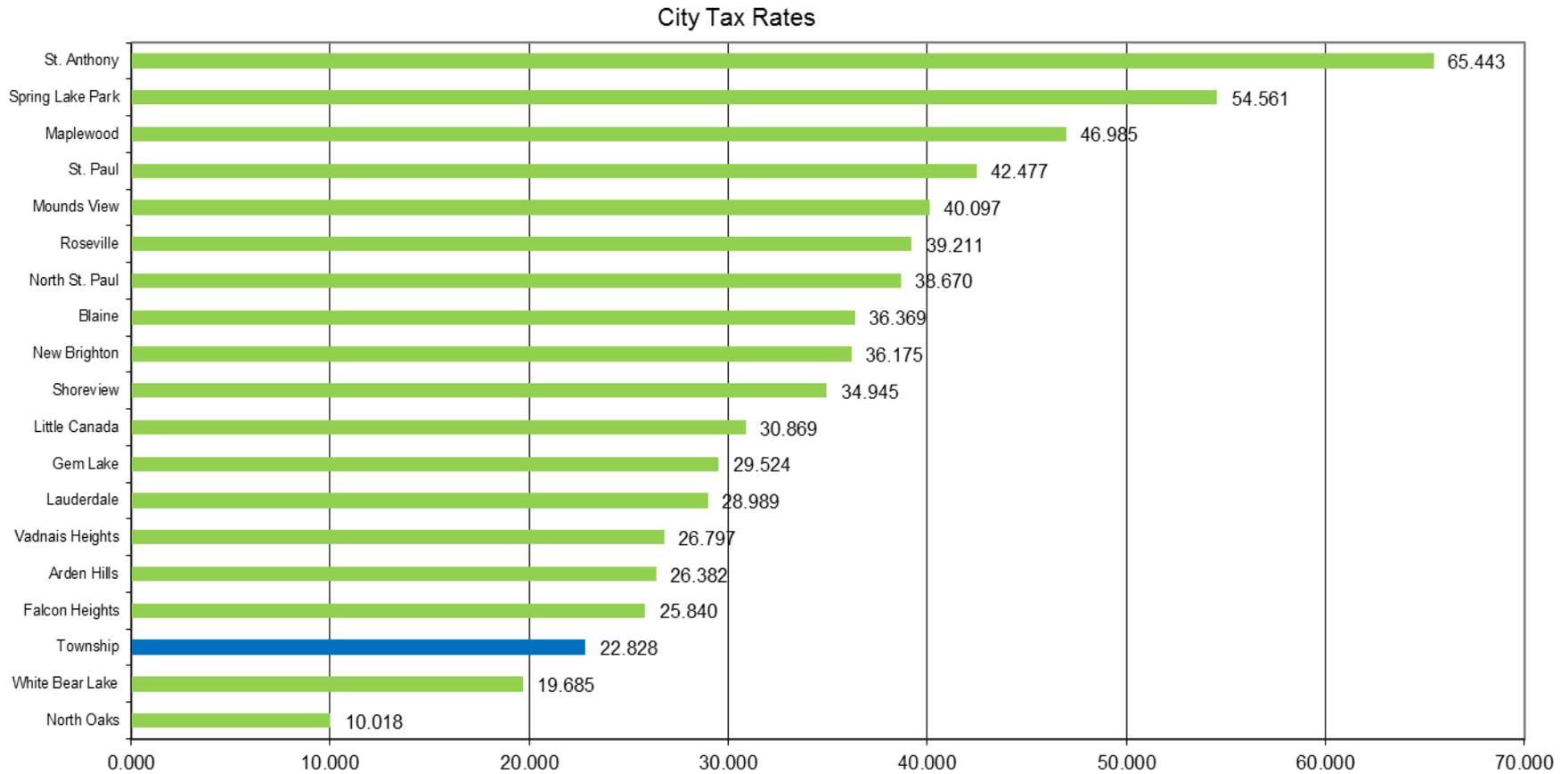
\*\*\*Tax capacity is the preliminary value for 2016 provided by Ramsey County on November 16, 2015.

# Town's Proposed 2016 Tax Rate

## 22.828%



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



# Changes in Total Property Tax Residential Parcels

- o Set by Ramsey County.
- o 43.37% of properties had decreases or no change (1,964 parcels)
- o 44.03% of properties had and increase of 0% - 10% (1,994 parcels)
- o 10.44% of properties had an increase of 10% - 20% (473 parcels)
- o 2.16% of properties had increases greater than 20% (98 parcels)
- o Median value is now \$228,700 compared to \$227,200 in 2015, \$202,400 in 2014, \$190,500 in 2013, & \$212,900 in 2012, an increase of 0.66%.

# Good/Bad News

## Good News:

- ∅ Residential values increased an average of 0.4%.
- ∅ Median value home increased 0.66%

## Bad News:

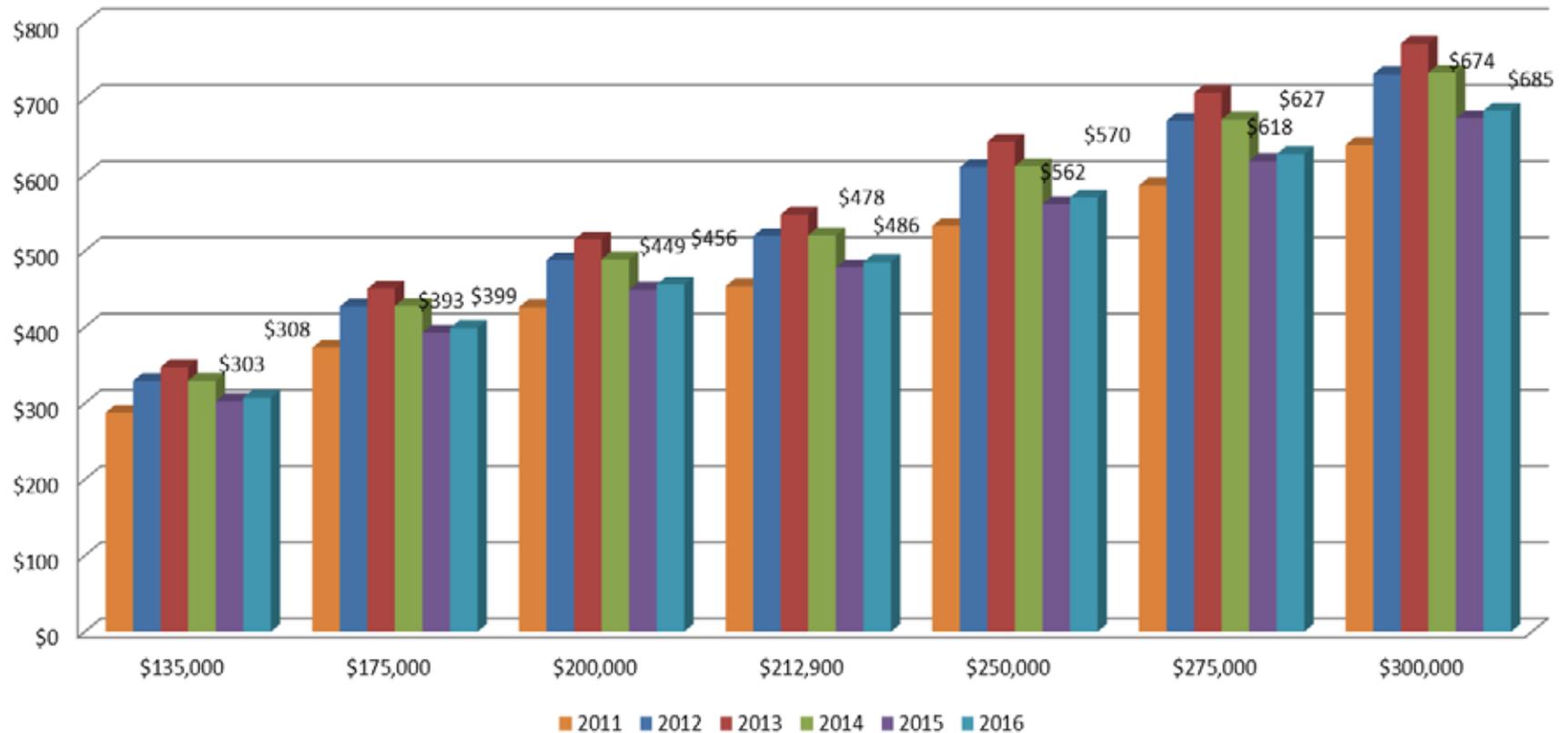
- ∅ Commercial values remain flat or still decreasing.

Creates a shift in property tax payers from commercial to residential.

# Examples of Property Taxes

(NO change in ESTIMATED market value)

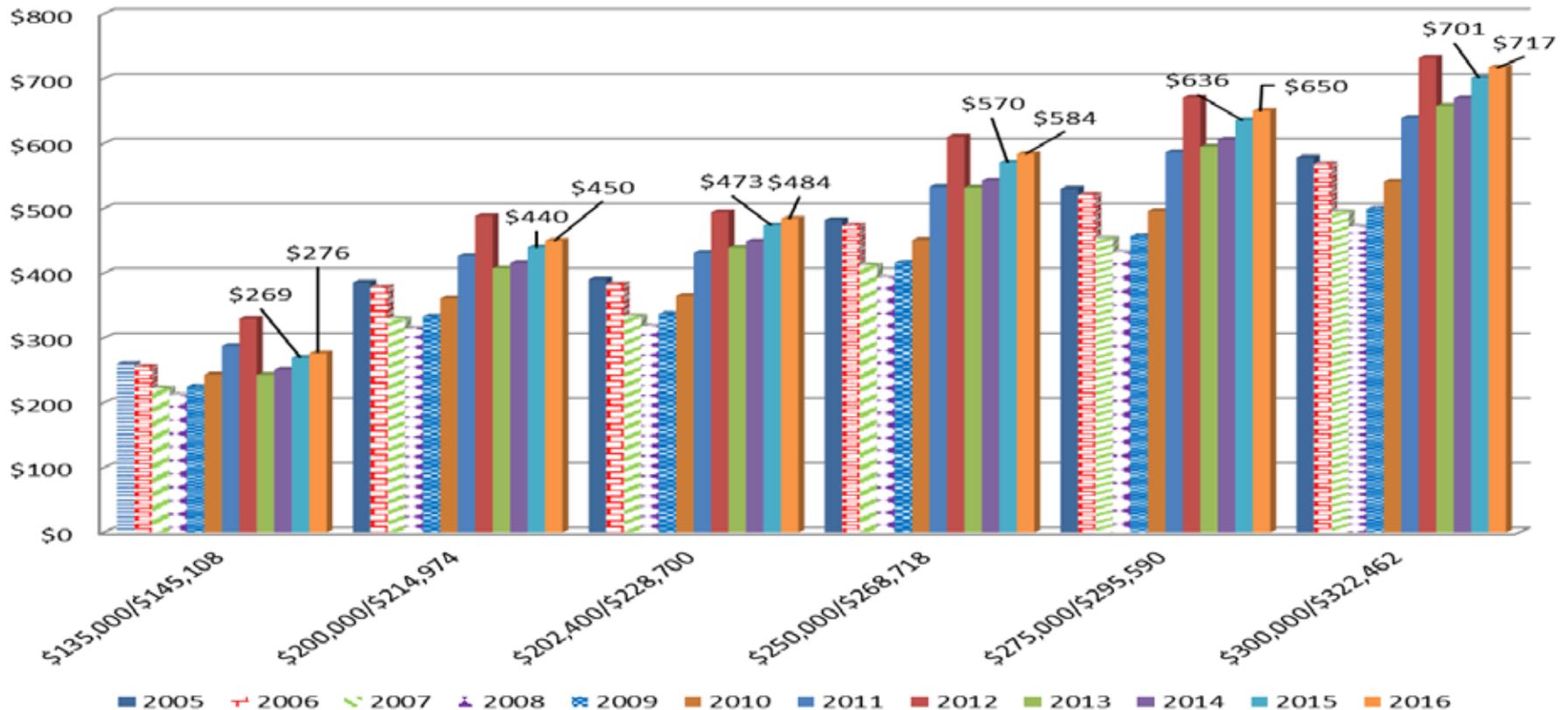
**Township Property Taxes**  
No Change in Market Value



# Examples of Property Taxes

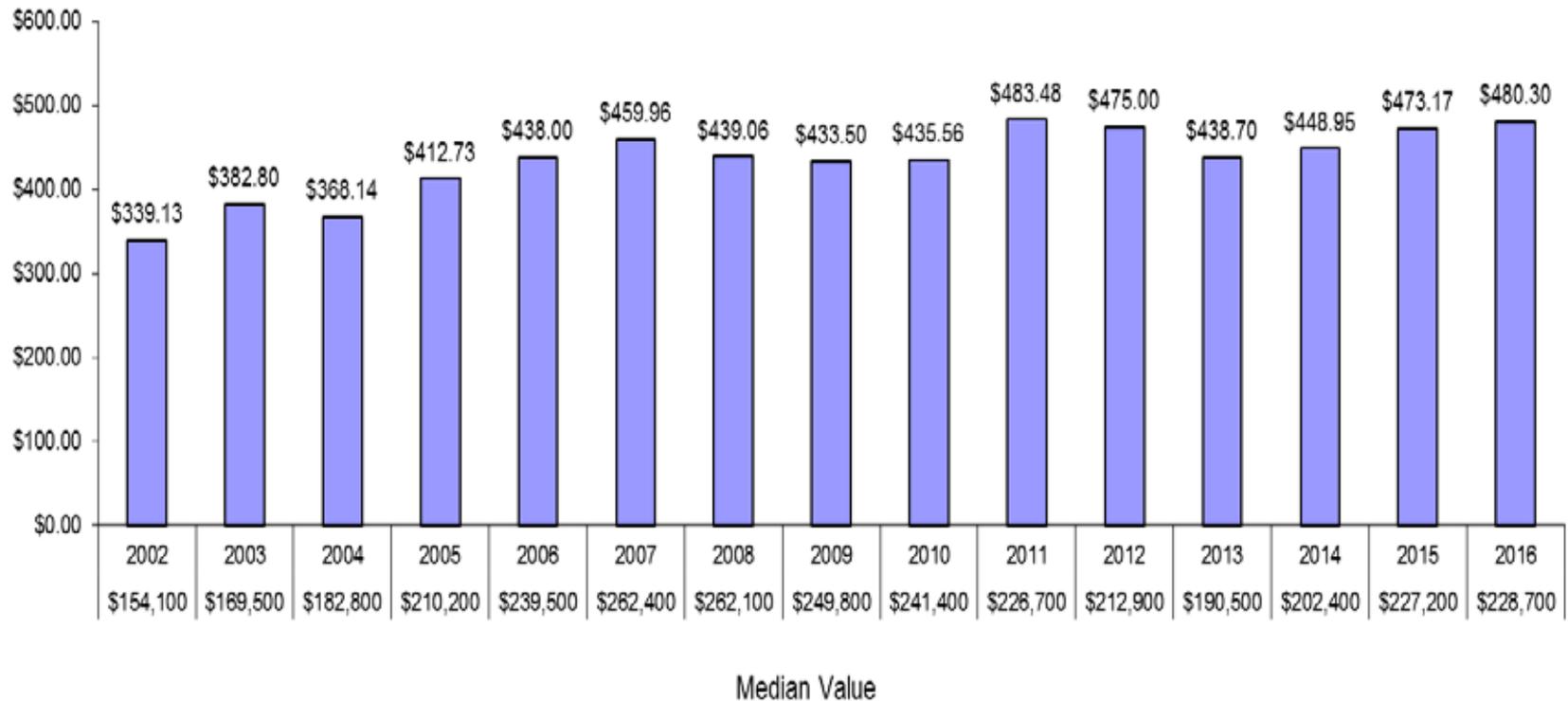
(0.66% ESTIMATED market value increase)

**Township Property Taxes**  
Market Values Adjusted by Median Change



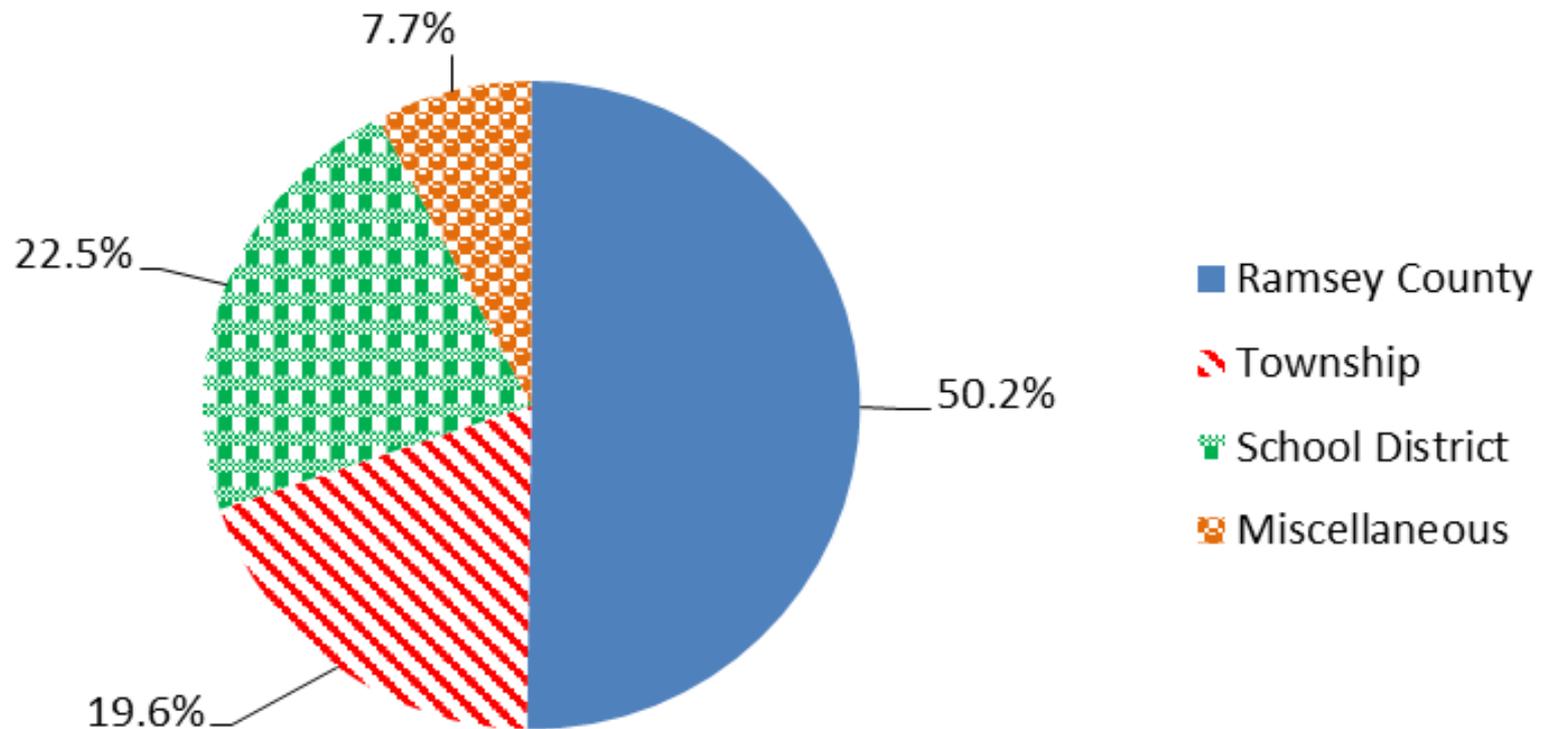
# Township Property Taxes on Median Valued Home Last 15 Years

Median Valued Home Property Taxes



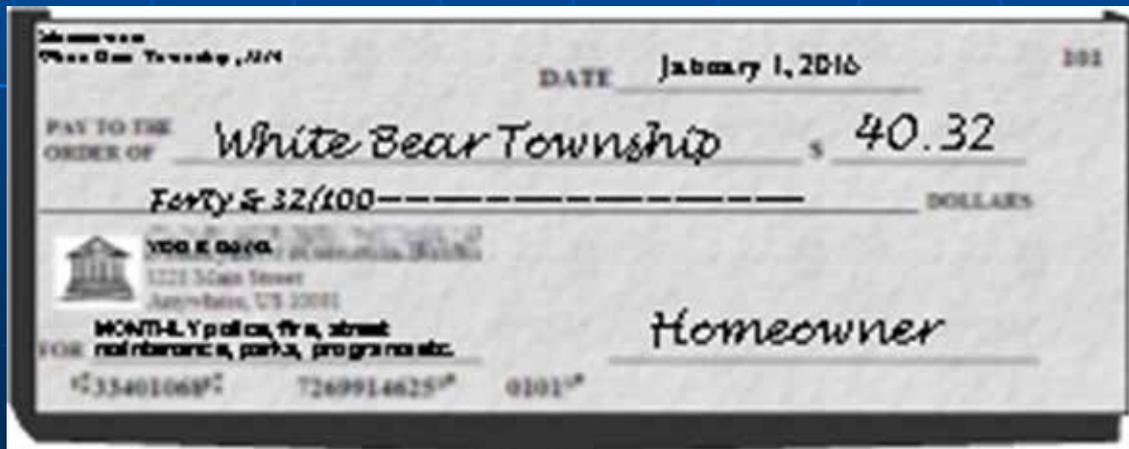
# 2016 Property Tax Breakdown

## Property Tax Breakdown



# Proposed 2016 Monthly Township Service Costs

∅ Public Safety	\$13.21
∅ Public Works	\$10.82
∅ General Government	\$8.84
∅ Parks & Recreation	<u>\$7.45</u>
<b>Total</b>	<b>\$40.32</b>



(Based on estimated annual Township taxes of \$483.84 for a home valued at median value of \$228,700 for 2016)

# 2016 Proposed Budget

View Budget and Other Township  
information at:

[www.ci.white-bear-township.mn.us](http://www.ci.white-bear-township.mn.us)

Or

on the Township Facebook Page

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

# Summary:

- √ Total Expenditures for all Funds \$12,769,380.
  - √ Decrease of 14.38%
- √ Total General Fund \$3,724,485.
  - √ Increase of 4.93%
- √ Total Property Tax Levy of \$2,933,926.
  - √ Increase of 2.65%
- √ Tax Capacity of \$11,776,708
  - √ Increase of 2.75%
- √ 2016 Tax Rate of 22.828%
  - √ Increase of 0.87% over 2015

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Questions?



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# Action Requested:

Approve the 2016 Final Property Tax Levy of \$2,933,926 as proposed.

Recommend the 2016 General Fund Budget of \$3,724,485 as proposed.

# Schedule 2016 Special Town Meeting

Recommendation:

Tuesday December 6, 2016

At 7:00 p.m.

At Heritage Hall

(Alternative Date: Thursday,  
December 8, 2016 at 7:00 p.m. at  
Heritage Hall)