

WHITE BEAR TOWNSHIP

SPECIAL TOWN MEETING

DECEMBER 9, 2014

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 2015.

2014
ADOPTED BUDGET
and
PROPERTY TAX LEVY
RECAP

2014 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

- ✓ Property tax levy of \$2,816,232
 - A decrease of 1.5%.
 - 2nd straight year with a decrease.
 - Debt levy of \$55,000.
 - Operating levy of \$2,470,650.
 - Fiscal Disparities of \$290,582.

2014 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

- ✓ General Fund budget of \$3,490,800
 - Balanced budget.
 - Increase of 2.53%.
 - Public Safety is the largest budgeted expenditure area.
 - Property taxes account for 79.10% of the revenues.

2014 ADOPTED BUDGET & PROPERTY TAX LEVY RECAP

- ✓ 2014 Budget verses Actual (through November):
 - Collected 52% of property tax levy.
 - Collected 63% of General Fund revenues.
 - Spent 87% of budget.
 - All debt payments have been made.

2015
PROPOSED
BUDGET
and
PROPERTY TAX LEVY

2015 BUDGET PROCESS

✓ Budget Calendar:

- ☞ Preliminary levy presented at Annual Town Meeting March 11th.
- ☞ Started budget in June.
- ☞ Preliminary levy certified to County September 15th.
- ☞ 5-year CIP updated for approval by Town Board on December 15th.
 - 1st year (2015) incorporated into 2015 Budget.

2015 BUDGET PROCESS

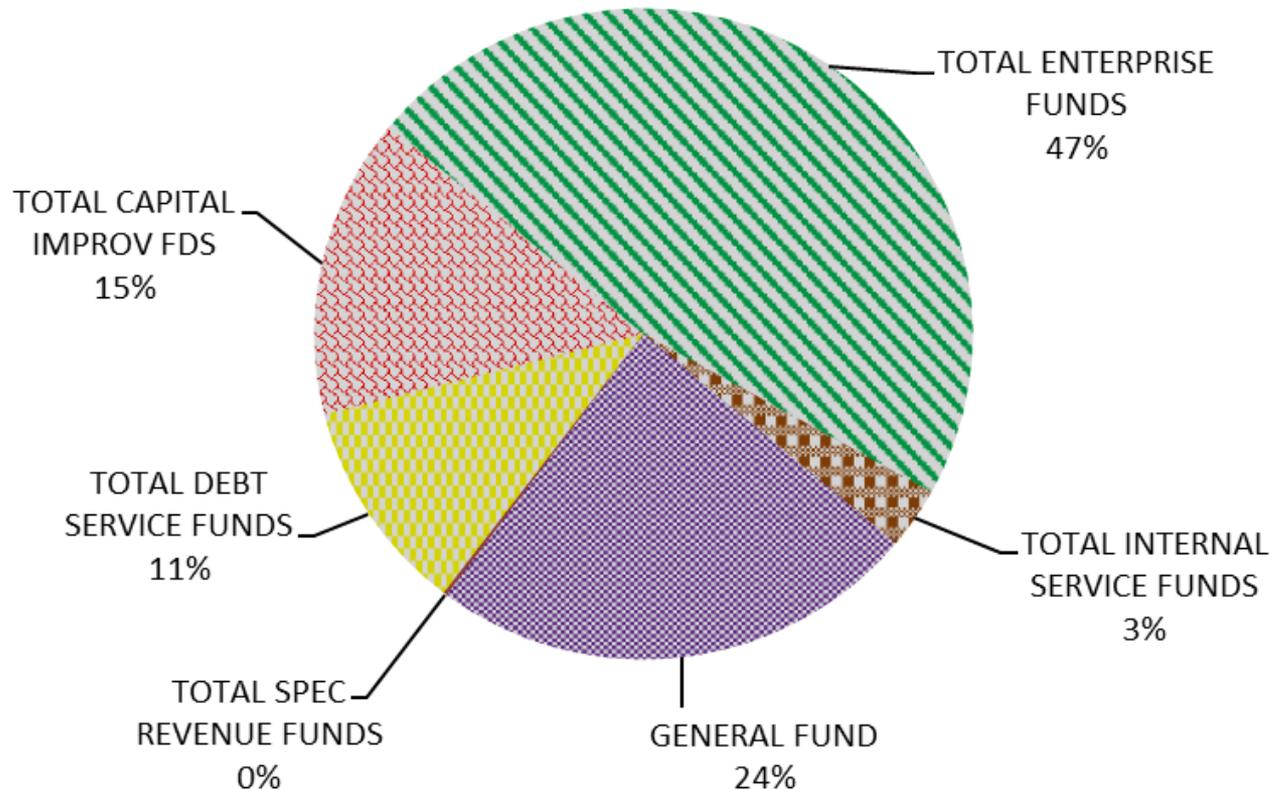
✓ Budget Calendar:

- ☞ Budget workshops between August and November.
- ☞ Budget & tax levy presentation to residents December 9th.
 - ☞ Residents approve tax levy.
- ☞ Final levy certified to County by December 29th.
- ☞ January 1st fiscal year begins.

Proposed 2015 Budget

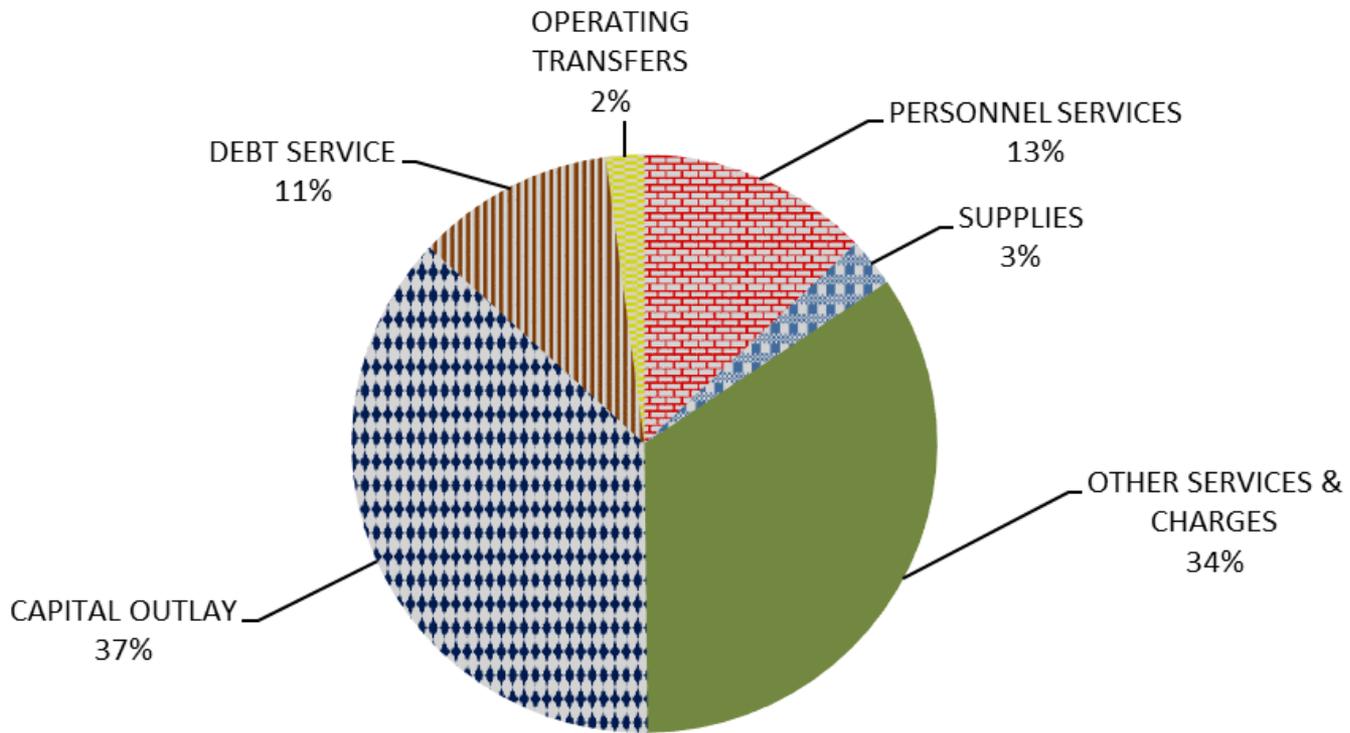
Total Expenditure Budget \$14,738,505

EXPENDITURES BY FUND TYPE



Total Expenditure Budget \$14,738,505

Expenditures by Function



PERSONNEL SERVICES

- ⇒ \$1,893,508 Total Budget - All Funds.
 - 3.24% increase from 2014.
 - 18 full-time for 2015.
 - Plus retirement/transition of 3 employees.
 - Includes summer seasonal positions.
 - Includes PERA & FICA, insurances and workers compensation.
 - Mandated PERA increase.
 - 4% Increase in Health Benefits.
 - 2.0% COLA 1/1.

SUPPLIES

⇒ \$399,459 in Total Budgeted for All Funds.

- 5.90% increase from 2014.
- Includes salt, sand, chemicals and street maintenance materials.
- Chemical budget increased for road treatments and polyphosphates to improve water quality.

OTHER SERVICES & CHARGES

⇒ \$5,050,349 in Total Budgeted for All Funds.

- 4.94% increase from 2014.
- Includes professional fees (elections, audit, engineering and legal).
- Includes contracted services for sheriff and fire (2.14% and 3.77% increase respectively). Represents 7.85% of total Town proposed budget.

OTHER SERVICES & CHARGES (continued)

⇒ \$5,050,349 in Total Budgeted for All Funds (continued).

- Includes other contracted services (beach operations, portable toilets, and water main repairs).
- \$76,000 to replace/maintain park assets.
- Includes utilities (electricity, gas, water and sewer).

DEBT SERVICE

⇒ \$1,569,877 in Total Budgeted for All Funds.

- 64.34% increase from 2014.
- Includes principal, interest and fiscal fees on non-utility revenue bonds.
- Includes interest and fiscal fees on utility revenue bonds.
- Retires the 2004A Public Facility Bond.
 - Eliminates the market value tax levy beginning in 2016.

CAPITAL OUTLAY

⇒ \$2,201,480 in Total Budgeted for All Funds.

- 7.99% decrease from 2014.
- 2015 include a mill & overlay street project & seal coat project.
- Includes park improvements, capital building and equipment replacements/additions.

TRANSFERS

⇒ \$449,700 in Total Budgeted for All Funds.

- 13.80% decrease from 2014.
- Represents transfers between funds.
- Includes transfers for:
 - Debt funded by other sources other than special assessments or taxes.
 - Funds for capital projects in 2015 and future projects.

Proposed 2015 Budget by Fund Type

Special Revenue Funds

Revenues - \$39,425
Expenditures - \$26,000



Debt Service Funds

Revenues - \$503,936
Expenditures - \$1,569,877

- ❖ Rated Aa2 by Moody's Investors Services.
- ❖ Debt per capita is \$374.
 - ❖ In 2011 debt per capita was \$874.
- ❖ Outstanding debt is \$4,095,000.
- ❖ Retires the 2004A public facility bond.

Capital Improvement Funds

Revenues - \$1,128,155

Expenditures - \$2,201,480



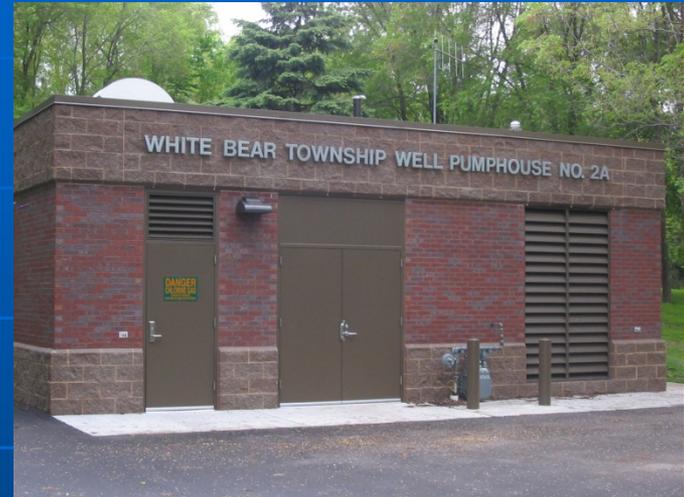
Internal Service Funds

Revenues – \$447,167

Expenditures - \$449,700



Enterprise Funds



Enterprise Funds

Revenues – \$2,881,956

Expenses - \$6,941,839

- Includes Storm Water, Sewer and Water Utility Funds.
- \$3,385,000 in possible infrastructure improvements.
- 75.35% of operating expenses covered by rates.
- Depreciation expense of \$755,000.

Utility Rates

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

- Sanitary Sewer and Storm Water rates were reviewed and adjusted.
 - Rates should cover operating costs and 75% of depreciation costs.
 - Had not been adjusted for 7 years.
 - Sanitary Sewer Fund has lost \$2,537,238 since 2009 with a 2014 projected loss of \$260,000
 - Storm Water Fund has a projected \$50,00 loss for 2014.

Utility Rates (continued)

- Sanitary Sewer charge will be based on winter quarter water use.
 - Base rate of \$46.39 per quarter for the 1st 5,000 gallons of water used.
 - Over 5,000 gallons billed at \$1.02 per thousand gallons of water used.
- Storm Water rate increased to \$12.48 per quarter.
- All utility rates reviewed annually.

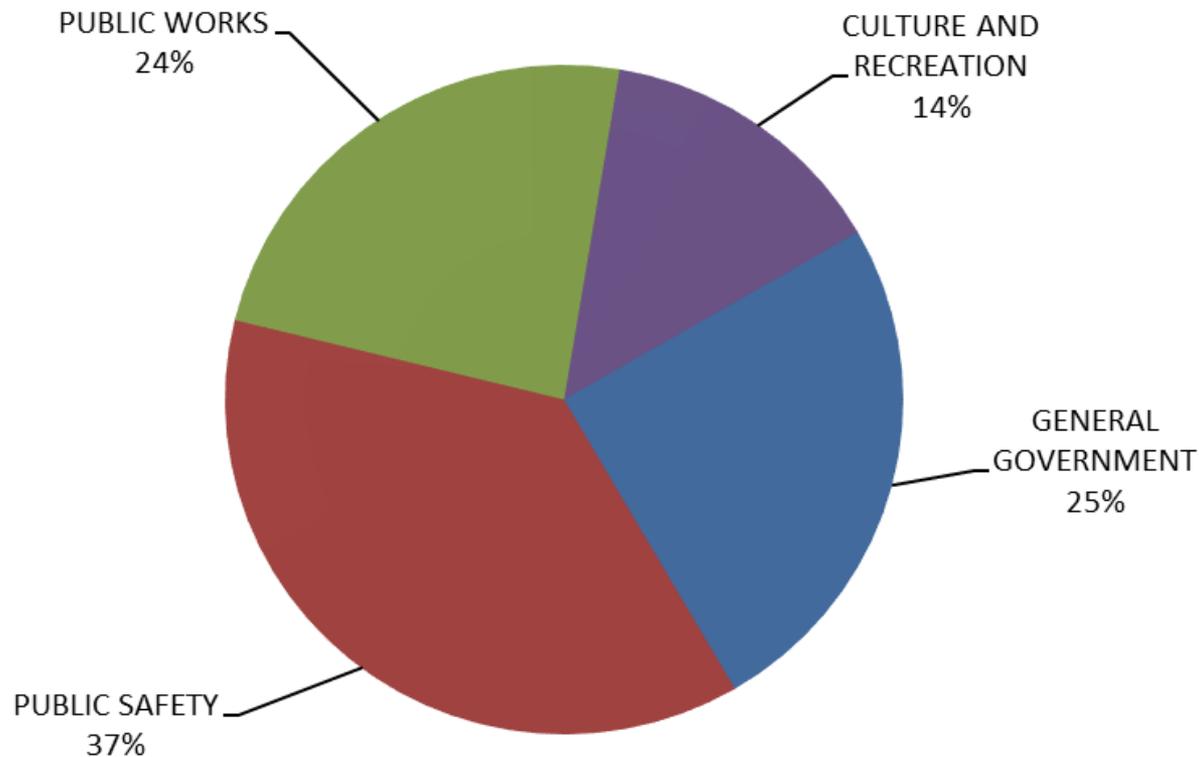
General Fund

Accounts for the operations of the Township.

- ❖ General Fund budget is proposed to increase 1.63%.
- ❖ Main revenue source is property taxes.
- ❖ Balanced budget.

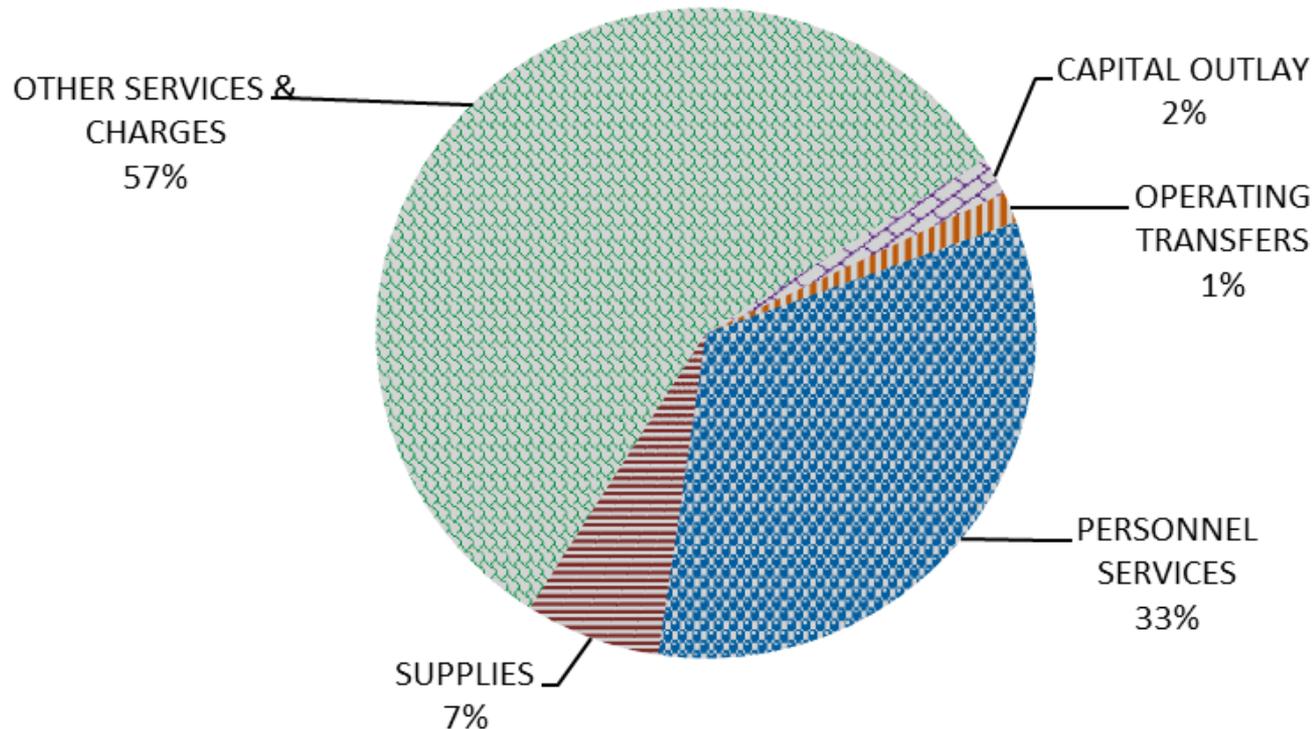
2015 Proposed General Fund Expenditures of \$3,549,609

EXPENDITURES BY DEPARTMENT



2015 Proposed General Fund Expenditures by Function \$3,549,609

EXPENDITURE BY FUNCTION



PERSONNEL SERVICES

⇒ \$1,166,608 in General Fund.

- 1.21% increase from 2014.
- Maintains current 18 full-time for 2015.
 - Filled a vacant secretary position & changed a part-time position to full-time.
- Includes funding for summer seasonal positions.
- Includes PERA & FICA, health and workers compensation insurance.
 - PERA increased .0025% as required by State.

SUPPLIES

- ⇒ \$236,321 in General Fund.
 - 6.66% of proposed 2015 GF budget.
 - \$6,676 increase from 2014.
 - Includes office supplies, salt, sand, chemicals and street maintenance materials.

OTHER SERVICES & CHARGES

⇒ \$2,024,481 in General Fund.

- 57.03% of proposed 2015 GF budget.
- 0.35% increase from 2014.
- Includes professional fees (audit, engineering and legal).
- Contracted services for sheriff department increased 2.41%, and Fire contract increased 3.77%.
 - Public Safety Department makes up 37.22% of GF budget

CAPITAL OUTLAY

- 1.92% of proposed 2015 GF budget.
- Based on 5-year CIP.
- Includes playground replacement, improved handicapped accessibility and tennis court reconstruction.

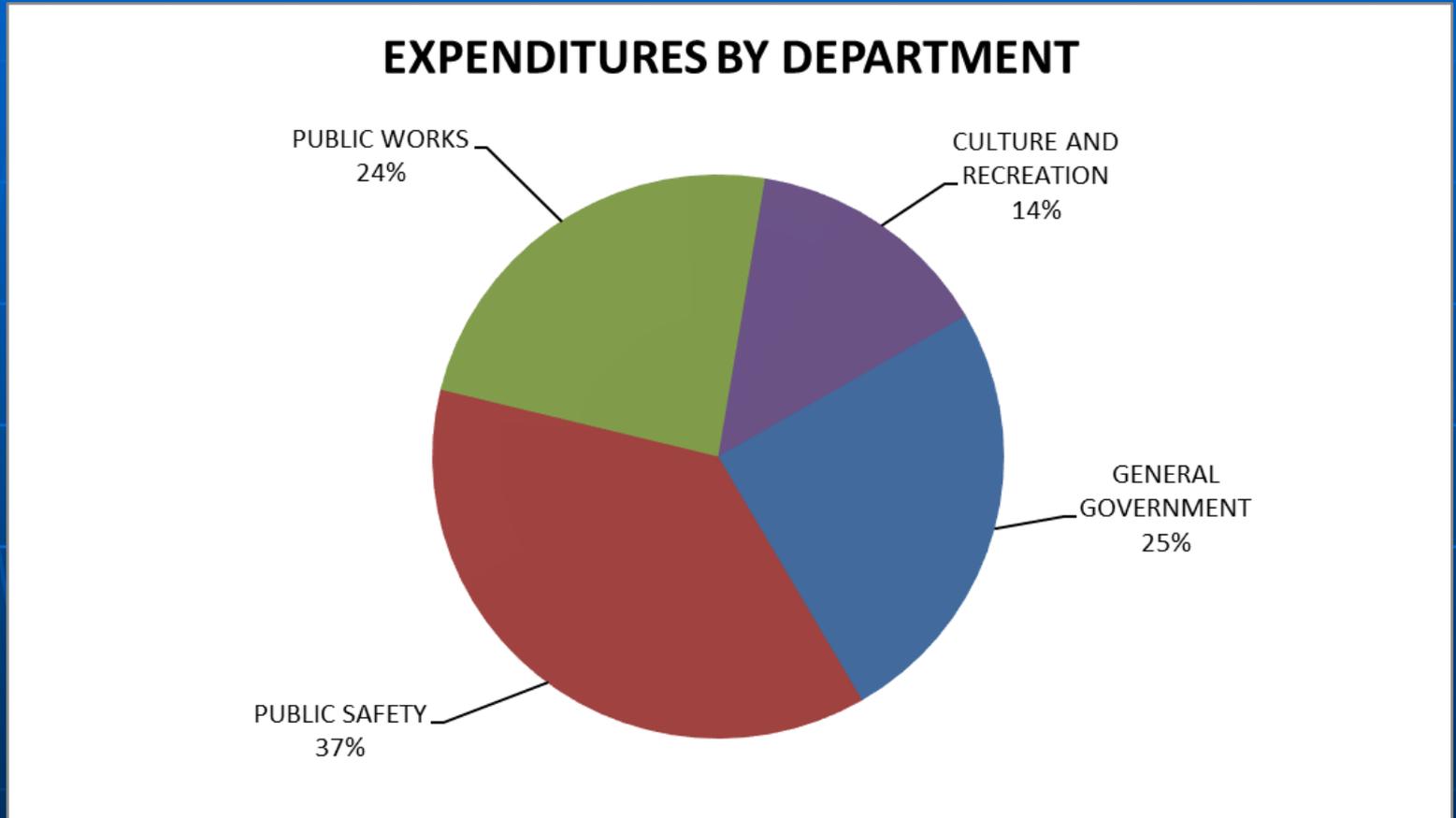
TRANSFERS

General Fund

⇒ \$54,000 in General Fund.

- 1.52% of proposed GF budget.
- \$1,982 increase from 2014.
- Represents transfers between funds
- The transfers is to the Improvement Fund (2015 Sealcoating program).

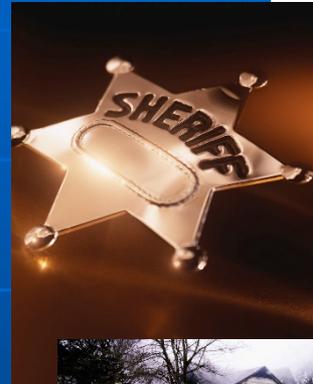
2015 Proposed General Fund Expenditures of \$3,549,609



Increased 1.68% or \$58,809 from 2014

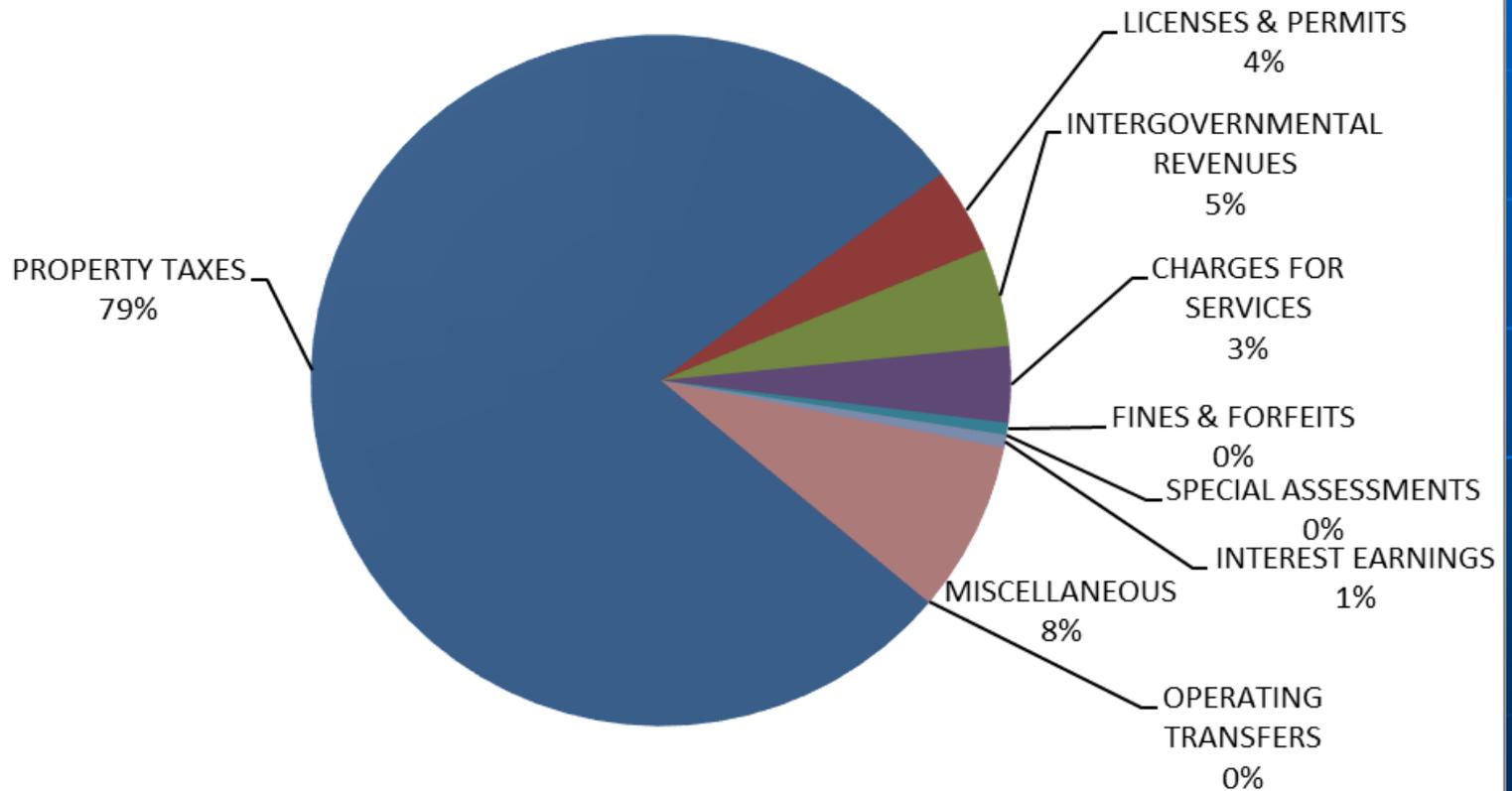
2015 Proposed General Fund Expenditures of \$3,549,609

- Public Safety Budget of \$1,321,223, an increase of 0.43%.
- Public Works increased 5.38% to \$844,914.
- General Government increased \$54,794 to \$884,900.
- Park & Recreation decreased 8.24% to \$498,573



General Fund Revenues

REVENUES BY CLASSIFICATION



General Fund Property Taxes

- ⇒ Largest revenue source.
- ⇒ Proposed to increase 1.16%.
- ⇒ Fiscal Disparities Revenue will be \$268,283, which is a 7.67% decrease.
- ⇒ General Fund Tax levy proposed at \$2,525,000.
 - ⇒ Is a 2.20% increase.
 - ⇒ Lower than the 2012 levy.

Property Tax System Factors

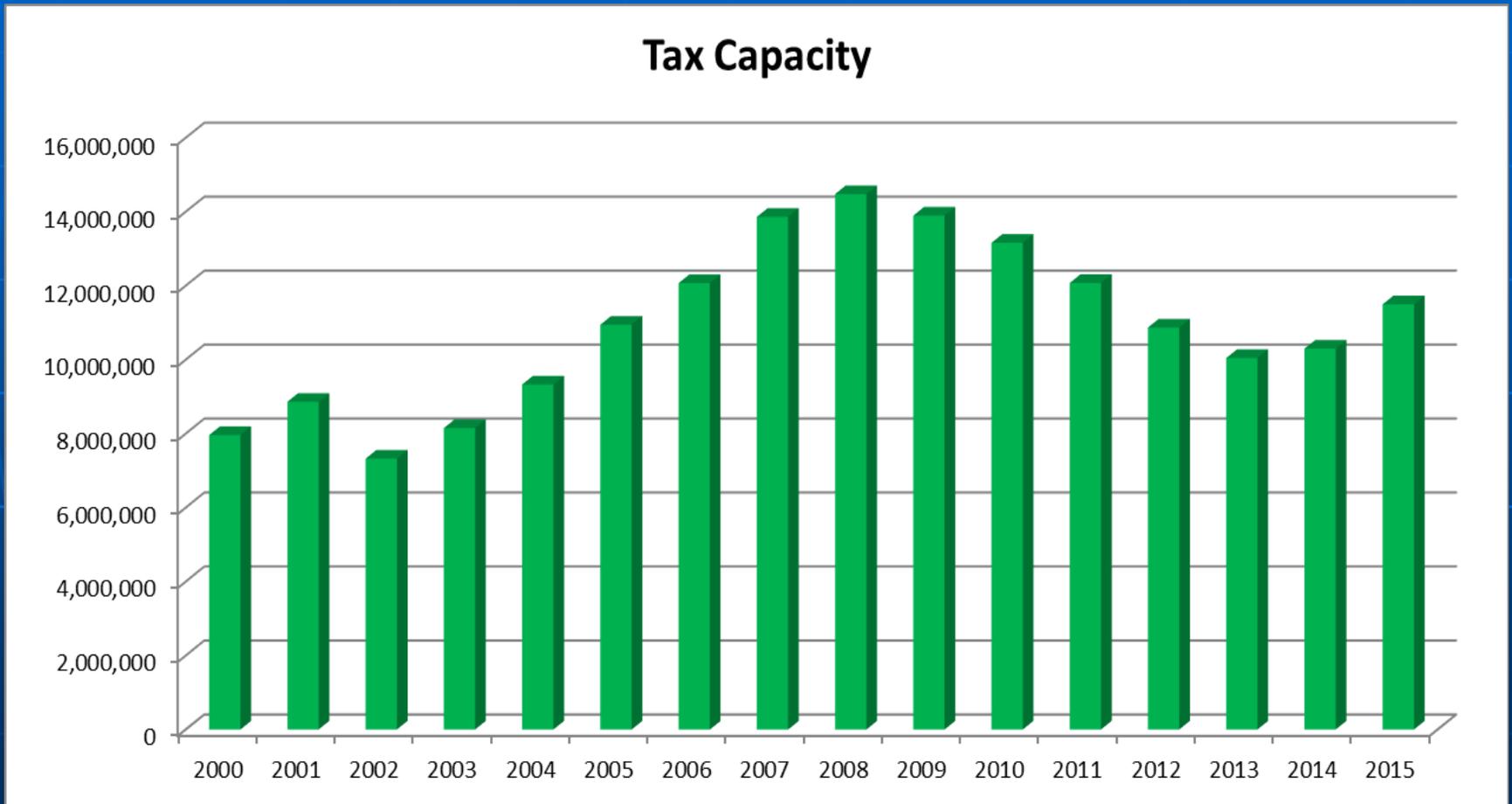
- Ramsey County Assessor determines market values.
- Property class rates are established by the State of Minnesota.
- Class rates applied to market value to establishes tax capacity.
- Town establishes property tax levy.
- The tax levy is divided by the tax capacity value to determine the tax rate.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

ESTIMATED PAYABLE 2015 TAX CAPACITY (for local rate)

| | |
|-------------------------------|------------------|
| Real Property | \$ 13,183,211 |
| Personal Property | <u>106,869</u> |
| Total Tax Capacity | \$ 13,290,080 |
| Less: | |
| Tax Increment Tax Capacity | 677,622 |
| Fiscal Disparity Contribution | <u>1,113,016</u> |
| Taxable Tax Capacity | \$ 11,499,442 |

Represents an INCREASE of \$1,201,247
or 11.66% from payable 2014

Tax Capacity increased 11.66% \$11,499,442

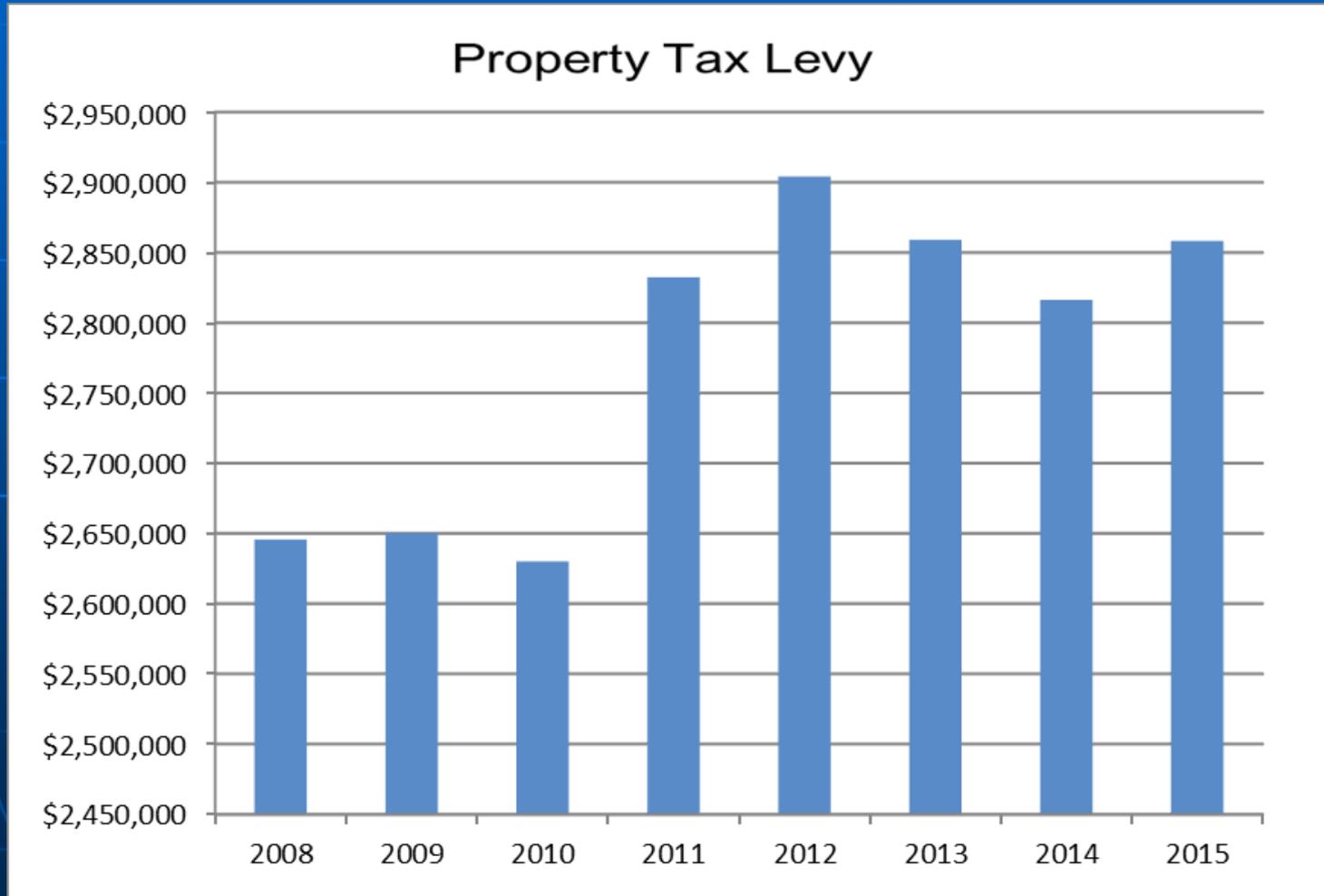


Proposed 2015 Property Tax Levy

| | |
|---|----------------|
| Property Tax | \$2,525,000 |
| Fiscal Disparities | <u>268,283</u> |
| Total Operating Levy Based on Tax Capacity | \$2,793,283 |

- 1.16% increase from 2014 levy.
- Lower than 2012 Operating Levy.

Proposed 2015 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 | 11,499,442 | 21.958 | 2,525,000 | 2.20% | 1,224,185,300 | 65,000 | 0.00531% | 8.39% |

***Tax capacity is the preliminary value for 2015 provided by Ramsey County on November 14, 2014.

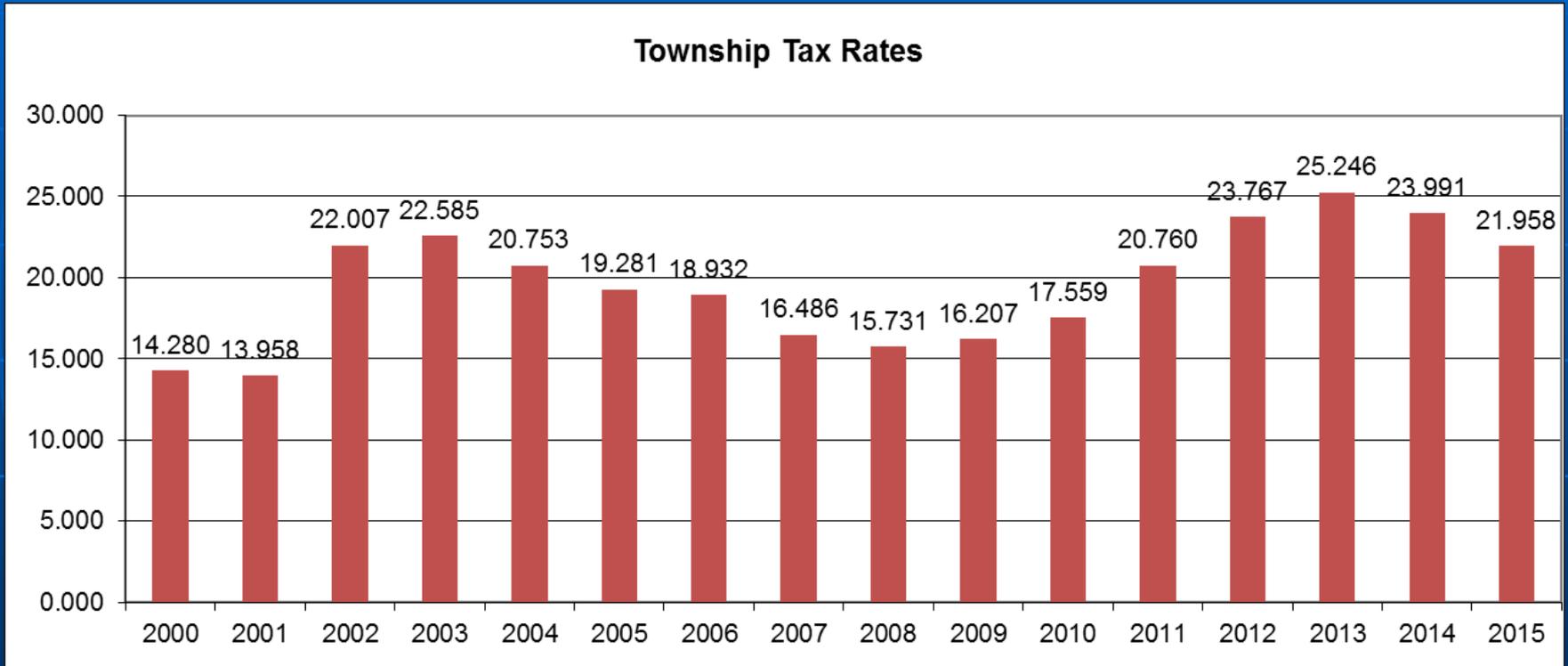
Market Value Levy

- ⇒ 2015 Levy is \$65,000.
 - ⇒ \$10,000 increase from 2014 & 2013.
 - ⇒ Decreased from 2011 & 2012.
- ⇒ 2015 Market Value Tax Rate is 0.00531%.
 - ⇒ An 8.39% increase.

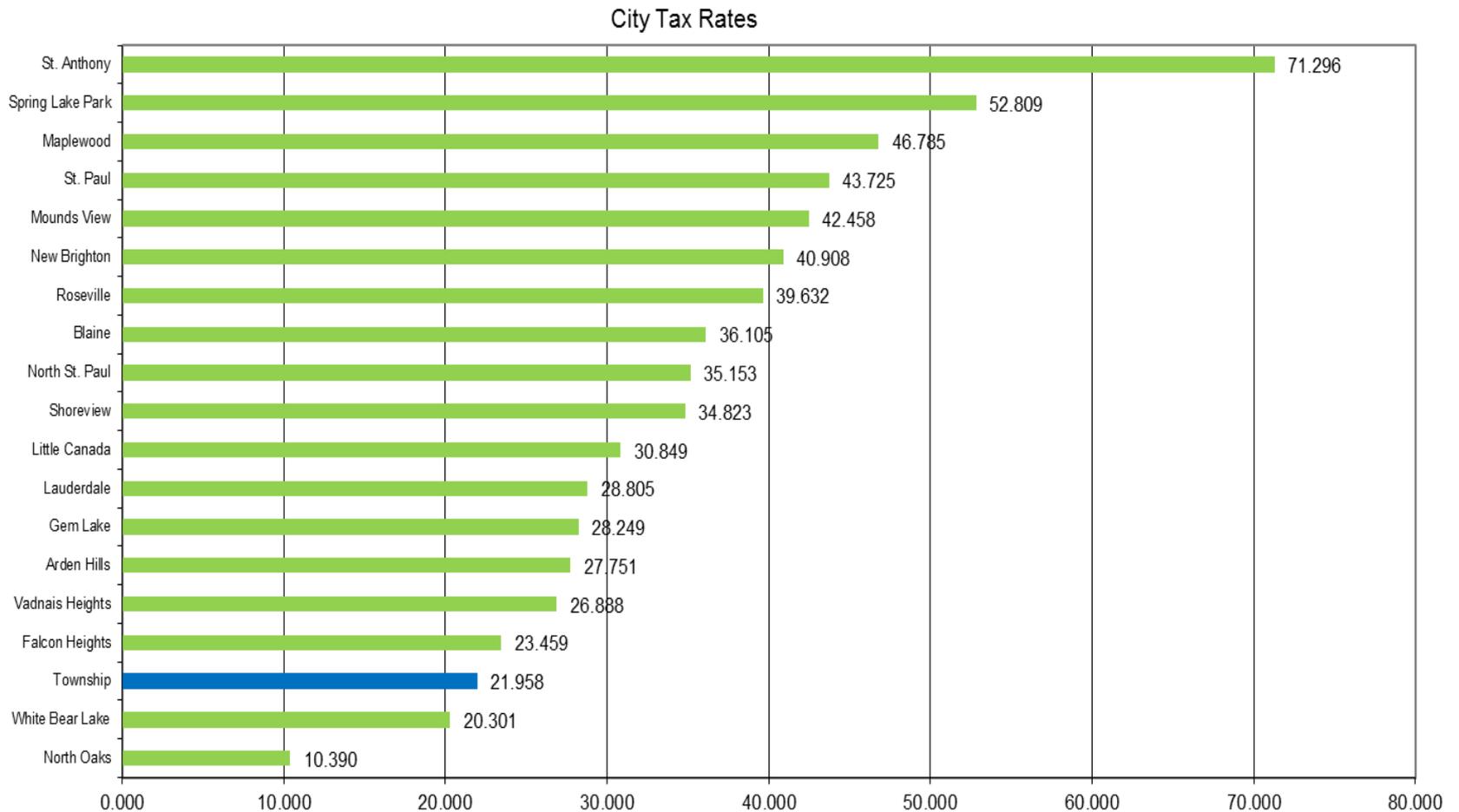


Town's Proposed 2015 Tax Rate

21.958%



Tax Rates in Ramsey County (Township is 3rd Lowest)



Changes in Total Property Tax Residential Parcels

- ⇒ Set by Ramsey County.
- ⇒ 35.16% of properties had decreases or no change (1,590 parcels)
- ⇒ 36.56% of properties had and increase of 0% - 10% (1,654 parcels)
- ⇒ 20.28% of properties had an increase of 10% - 20% (918 parcels)
- ⇒ 8.00% of properties had increases greater than 20% (362 parcels)
- ⇒ Median value is now \$227,200 compared to \$202,400 in 2014, \$190,500 in 2013, & \$212,900 in 2012, an increase of 12.3%.

Good/Bad News

Good News:

- Residential values increased an average of 12.3%.
- Median value home increased 12.3%

Bad News:

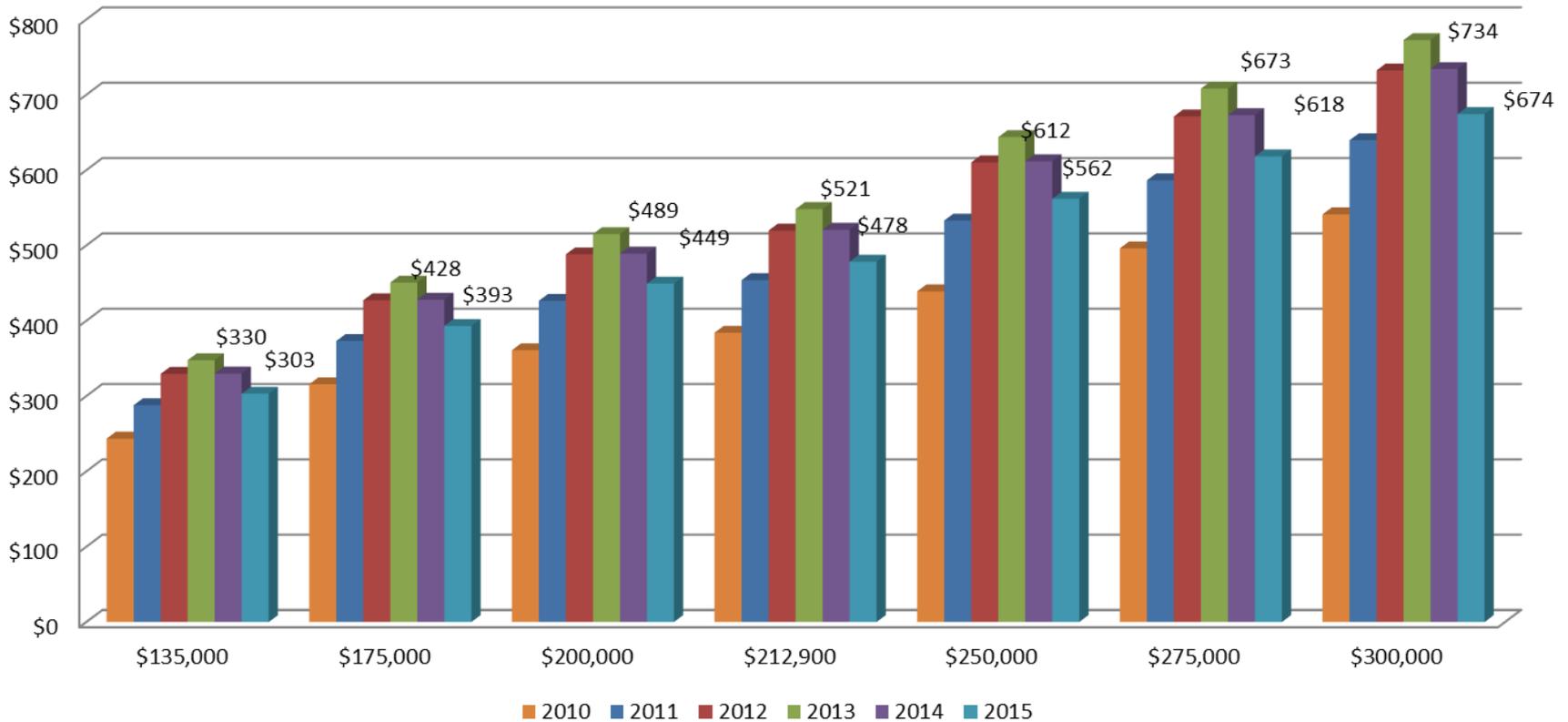
- Commercial values remain flat or still decreasing.

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

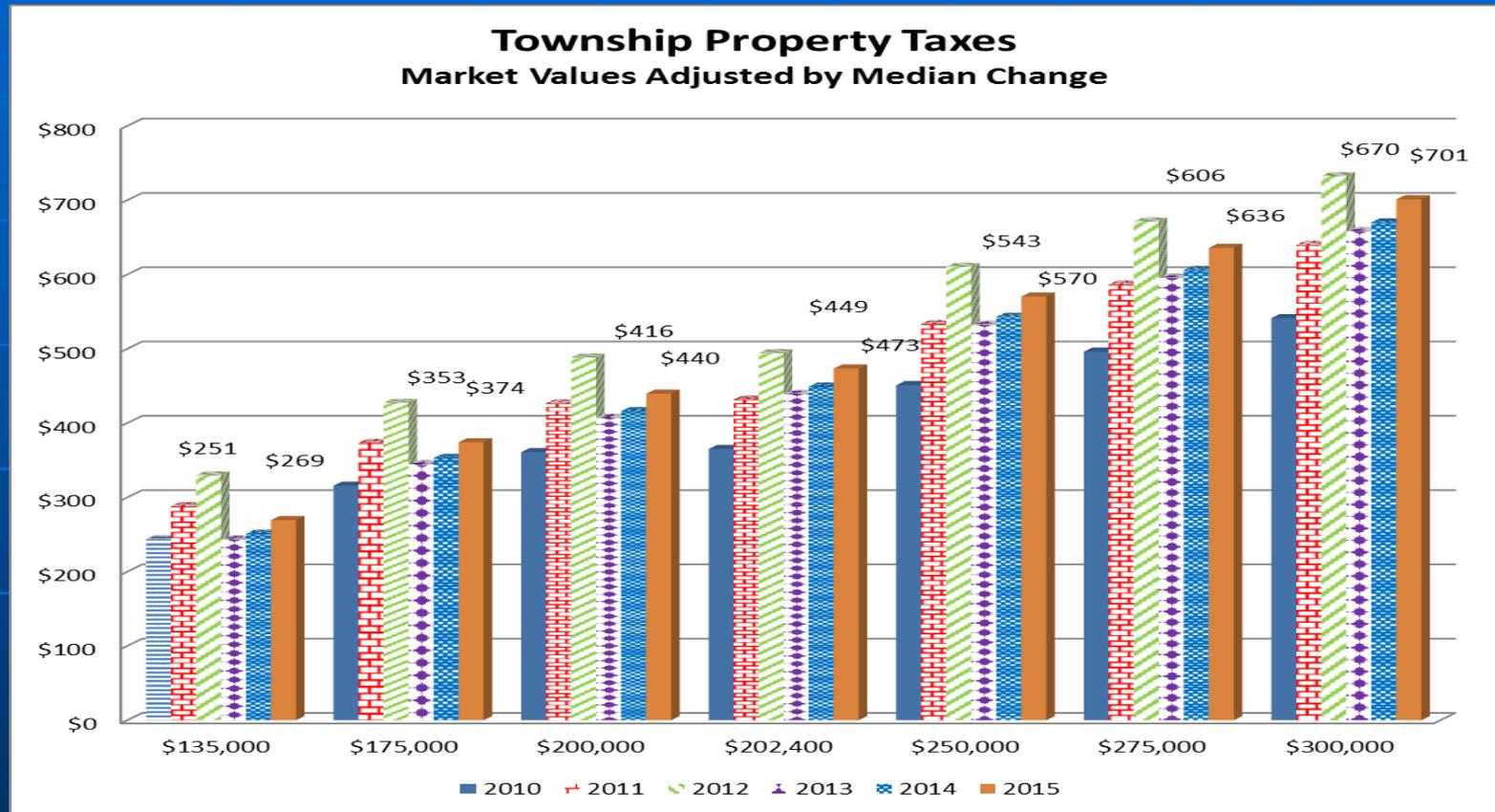
Examples of Property Taxes

(NO change in ESTIMATED market value)

Township Property Taxes
No Change in Market Value



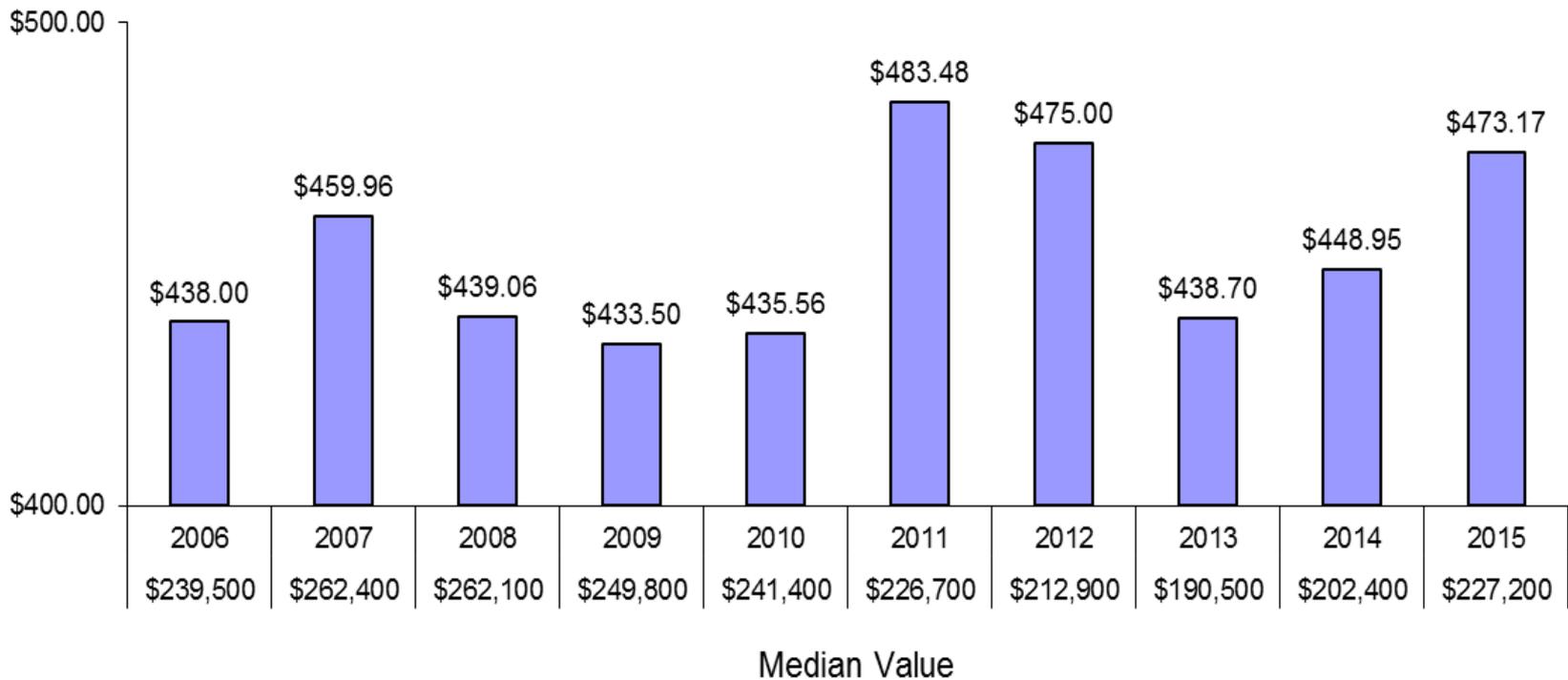
Examples of Property Taxes (12.3% ESTIMATED market value increase)



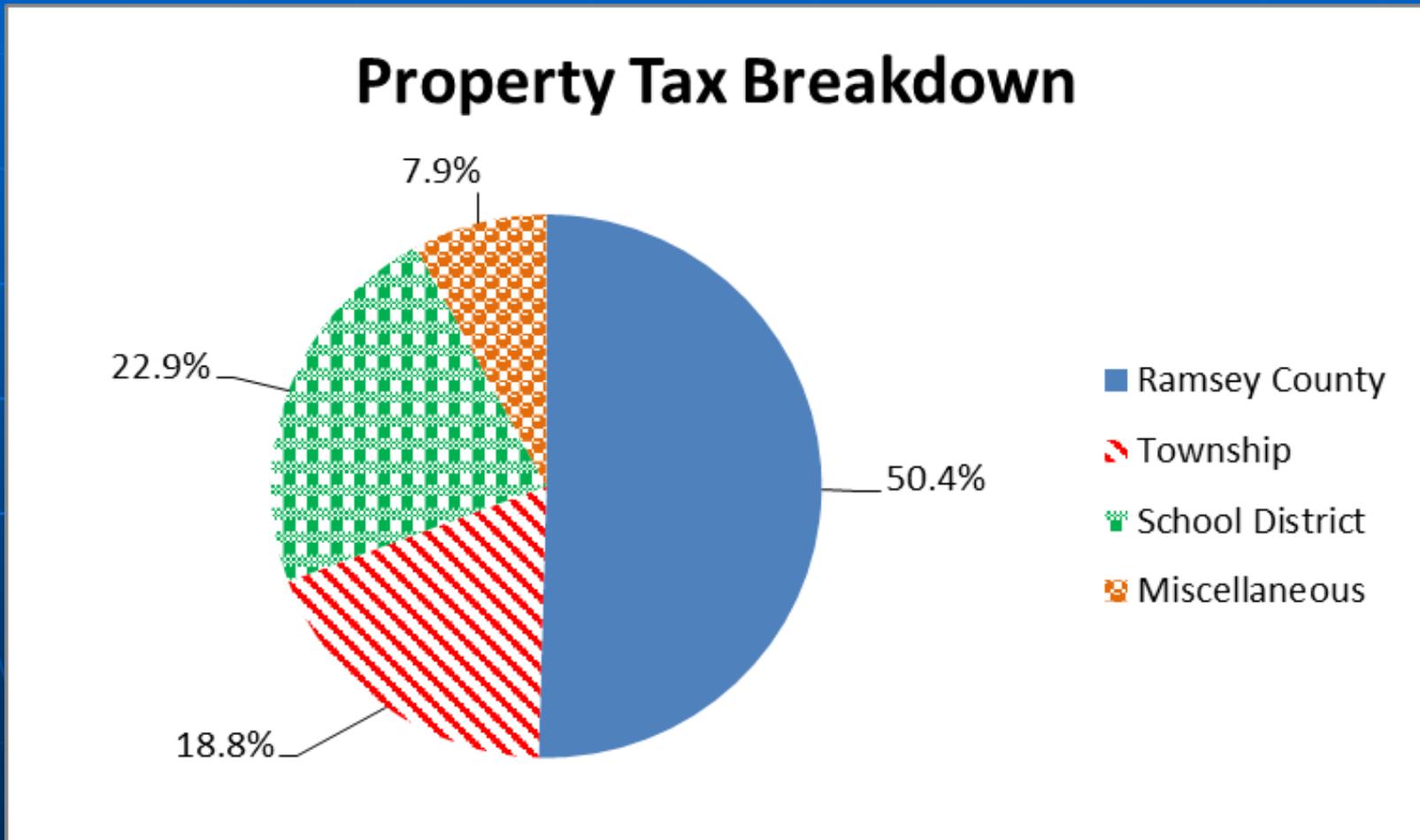
If market value increase was 7.5% or less it would result in no change or reduction in Township property taxes.

Township Property Taxes on Median Valued Home Last Ten Years

Median Valued Home Property Taxes



2015 Property Tax Breakdown



Proposed 2015 Tax Levy

Other Services Avg. Monthly Costs:

Monthly Township Service Costs:

| | | | |
|-----------------------------------|----------|-----------------|----------------|
| ⇒ Refuse (68 gals.) | \$ 22.99 | ⇒ Public Safety | \$12.88 |
| ⇒ Phone | | ⇒ Public Works | \$10.01 |
| Landline | \$ 30.00 | ⇒ General Gov. | \$ 9.51 |
| Cell (unlimited) | \$ 50.00 | ⇒ Parks & Rec. | \$ 6.10 |
| ⇒ Cable | \$ 80.00 | ⇒ Debt | <u>\$ 0.93</u> |
| ⇒ Internet | \$ 30.00 | Total | \$39.43 |
| ⇒ 15 Gal. of Gas (\$2.69/Gal.) | \$ 40.35 | | |

(Based on estimated annual Township taxes of \$473.17 for a home valued at median value of \$227,200 for 2015)

2015 Proposed Budget

View Budget and Other Township
information at:

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 \$14,738,505.
 - ❖ Increase of 31.53%
- ❖ Total General Fund \$3,549,609.
 - ❖ Increase of 1.68%
- ❖ Total Property Tax Levy of \$2,858,283.
 - ❖ Increase of 1.49%
- ❖ Tax Capacity of \$11,499,442
 - ❖ Increase of 11.66%
- ❖ 2015 Tax Rate of 21.958%
 - ❖ Decrease of 8.47% over 2014

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Questions?



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Action Requested:

Approve the 2015 Final Property Tax Levy of \$2,858,283 as proposed.

Recommend the 2015 General Fund Budget of \$3,549,609 as proposed.

Schedule 2015 Special Town Meeting

Recommendation:

Tuesday December 8, 2015

At 7:00 p.m.

At Heritage Hall

(Alternative Date: Thursday,
December 10, 2015 at 7:00 p.m. at
Heritage Hall)