



CITY COUNCIL BUDGET WORKSESSION

Monday, August 1, 2016 - 6:00 p.m.

Council Chambers

Purpose: Budget Presentation

(by Powerpoint)



CITY OF ANOKA

2017 PROPOSED BUDGET AND LEVY

6:00 P.M., MONDAY, AUGUST 1, 2016

PRESENTATION SCHEDULE



Meeting purpose

Budget process

Budget goals, philosophy and parameters

Highlight proposed 2017 Budget changes compared to 2016 budget

Summarize proposed 2017 Levy

Impact to taxpayers

What is the purpose of the meeting?



City Charter requirement that City Manager present a proposed budget to Council in August.

Explain budget process and budget goals.

Set the stage for more detailed discussions throughout the next several weeks.

Outline factors affecting 2017 budget.

Highlight major decisions for 2017 budget.

Set budget decision making schedule.

BUDGET PROCESS



June-July – City Staff reviews needs of City based on previous years budgets and Council directives.

August – Staff presents proposed budget to Council at work sessions for review and direction.

September – Council adopts proposed budget and levy to certify with the County for tax statements.

December – City holds public hearing. If necessary, a continuation hearing may be held. After this, Council adopts the final levy and budget for certification to County.

What are budget goals?



- Provide quality services
- Provide services that are consistent with Council goals and that are desirable to the Community.
- Plan for the future of the Community to:
 - provide for sound infrastructure
 - insure financial stability
 - preserve character, and
 - protect overall well-being

BUDGET PHILOSOPHY



- Long-term solutions need to be continued; budget challenges are not short term problems.
- The City should continue supporting core services with property taxes.
- Continue planning for and following capital and equipment replacement plans.
- Fund balances should be increased whenever possible for long term capital planning, funding and credit considerations.

2017 BUDGET PARAMETERS



- Five year capital improvement plan and the equipment replacement plan have been adopted.
- Continue to balance new operating needs with staffing resources.
- Continue to rely on fund balance for transfers to other funds for 2017.
- Rely on Electric funds for future financing possibilities.
- Increase levy with small impact to taxpayers with an increase in the 2017 tax capacity rate.

2017 BUDGET PARAMETERS



- Levy \$6,782,070 – increase of \$328,595
- Pay \$580,000 of Debt service from General fund. (future levy limits)
- Allocates \$250,000 to capital funds from General fund reserves.
- Add two security positions. \$110,000
- Includes \$437,500 of capital improvements projects in general fund.
- Offer early retirement. (\$24,000 savings)
- Uses (\$495,000) of General fund reserves.

HISTORIC LEVY CHANGES



YEAR	LEVY	% CHANGE	TAX RATE
2016	741,210	12.98%	41.56%
2015	0	0 %	45.01%
2014	(143,840)	(2.46)%	49.84%
2013	(43,000)	(0.73)%	54.01%
2012	0	0 %	50.37%
2011	(83,885)	(1.40)%	43.02%
2010	0	0 %	40.53%
2009	175,445	3.02%	37.69%
2008	187,905	3.34%	37.04%
2007	282,560	5.25%	37.33%
2006	468,278	9.30%	38.74%
2005	93,935	1.96%	37.40%
2004	84,717	1.80%	41.06%
2003	392,917	9.11%	43.90%

Difference between most recent seven years and seven years before that is **\$1.2 million.**

PROJECTED LEVY



Revenue other than the levy remains pretty stable in 2017.

Use (\$495,000) of general fund reserves for debt service transfers

Available fund balance reserves drop to 36% of expenditures.

In 2017, HRA's oldest TIF district will be decertified. This has about a \$250,000 capacity and will reduce the tax capacity rate in 2018 even with an increase in the levy.

FUTURE PROPOSED LEVY CHANGES



<u>YEAR</u>	<u>LEVY</u>	<u>% CHANGE</u>
2018	170,000	2.5%
2019	192,000	2.8%
2020	179,000	2.5%
2021	183,500	2.5%

Assumes levy limits are not imposed by state.

Assumes not using fund balance for transfers or capital through 2021.

2017 BUDGET



- Levy \$6,782,070 – (increase of \$328,595, 5%).
- Reduce permits and charges for services by \$100,000 as a result of expected decrease in permit issuance and review.
- Increase Electric transfers into general fund by \$15,000.
- Use \$495,000 of general fund balance for transfers to Debt.

OVERALL PROPOSED 2017 LEVY



GENERAL FUND	\$6,782,070
SPECIAL LEVY (debt)	\$ <u>0</u>
2017 TOTAL LEVY	\$6,782,070
2016 TOTAL LEVY	<u>\$6,453,475</u>
Total levy change	\$ 328,595

REVENUE **CHANGES** 2017

GENERAL FUND



Levy	\$ 484,495
LGA revenue	0
Other intergovernmental	10,100
Permit & License revenue	(51,800)
Fines	(6,000)
Charges for services	(49,650)
Franchise fees	5,000
Other revenues	36,975
Transfers in from other funds	6,000
Fund balance use	<u>(1,101,040)</u>
Total	(\$665,920)

EXPENDITURE **CHANGES** 2017

GENERAL FUND



Salary & Benefits	\$ 258,210
(two new security positions, 2% increase wage)	
Materials and Supplies	900
Professional Services	44,185
(police command & Information Technology)	
Maintenance	46,575
(vehicle maintenance)	
Capital outlay	96,500
Investment Mgmt	35,000
Fire	47,360
Transfer out	<u>(1,194,650)</u>
(Increases transfers to other funds)	
Total	\$ (665,920)
(5% decrease)	

2017 GENERAL FUND BUDGET



Requested 2017

\$12,539,975

Includes new positions, wage increase, increase in vehicle maintenance, increase in capital, increase in fire for equipment, transfers of \$250,000 for building capital and \$580,000 for debt service.

2016 budget was \$13,205,895

2017 PROPOSED CITY BUDGETS



	<u>2016 Adopted</u>	<u>2017 Proposed</u>	<u>% Change</u>
General	\$13,205,895	\$12,539,975	(5.0) %
Urban Redevelop.	900	830	(7.8)
Round Up	41,000	41,000	0
Cemetery Care	98,190	135,130	37.6
Parking	210,685	205,175	(2.6)
Lodging	12,780	12,875	0.7
Debt Service	865,340	2,427,435	80.5
Building or Capital	435,070	310,330	(28.7)
Street Renewal	1,839,655	2,864,010	55.7
Park Capital Projects	689,185	548,880	(20.3)
City TIF	7,674,495	5,242,690	(31.7)
Electric	28,702,000	27,980,015	(2.5)
Water	1,559,550	1,594,725	2.3
Sewer	2,182,385	2,200,895	0.9
Storm Sewer	228,440	258,575	13.2
Liquor	4,105,860	4,112,150	0.2
Golf	982,370	1,006,390	2.5
Refuse Collection	106,965	118,965	11.2
Recycling	290,430	291,580	0.4
Garage	734,625	760,070	3.5
Information Systems	380,545	371,960	(2.3)
Insurance	458,700	458,700	0
Benefit	34,290	102,040	297.6
HRA	267,225	327,005	22.4
HRA TIF	<u>332,455</u>	<u>419,545</u>	<u>26.2</u>
TOTAL	\$65,439,035	\$64,126,865	(2.0)%

2017 BUDGET EXPENDITURE HIGHLIGHTS



- Two new security positions.
- 2% increase in employee wages.
- 15% increase in employer health contributions.
- Early retirement offering (\$25,000 savings).
- Increased vehicle charges for garage fund and technology charges for information services.
- Transfer \$250,000 to building fund for improvements to Greenhaven Event Center.
- Transfer \$580,000 for Debt service.
- Sign replacements - \$60,000
- Gate for police yard - \$40,000
- CSAH 7 & Grant signal - \$82,500
- Enloe park rehab - \$25,000

2017 BUDGET HIGHLIGHTS



- Pool tile - \$20,000
- Boat slide - \$35,000
- West Rum River trail - \$75,000
- Stone house restoration - \$40,000
- Brisbin irrigation - \$60,000
- Greenhaven Event Center main floor bathroom remodel - \$200,000
- Greenhaven Event Center carpet - \$65,000
- City hall exterior reseal - \$60,000
- CSAH14/9th Ave. \$591,000
- Main St. bridge repair planning - \$56,500
- 2017 street renewal - Adams, Brisbin, Washington & 10th Ave. - \$1,771,000
- Christian Hill street renewal - \$3,373,000
- Anoka Station park - \$150,000

2017 BUDGET HIGHLIGHTS



- Rum River trail connection - \$191,300
- Canoe Rest - \$15,000
- Trail system repairs - \$40,000
- Enloe playground equip - \$75,000
- Aquatic Center bottom - \$60,000
- CRTV redevelopment - \$800,000
- Greenhaven Parkway - \$2,291,000
- Electric infrastructure - \$1,721,000
- Electric equipment - \$601,700
- 7th Ave water main - \$61,000
- Future well site selection - \$30,000
- Sewer rate increase – 9.8%
- Air compressor - \$25,000
- River outfall - \$95,000
- Storm water improvements - \$210,000
- Liquor store planning - \$100,000

2017 BUDGET HIGHLIGHTS



- Golf cart path improvements - \$19,800
- Rough mower - \$66,300
- Three squad cars - \$116,000
- Radios for squads - \$26,400
- Aerifier for parks - \$22,000
- Trackless snow blower \$118,000
- Truck with plow - \$36,000
- Dump truck - \$60,000
- Tandem dump truck - \$225,000
- Computer upgrades - \$26,500
- Software upgrades - \$95,000
- Website design - \$50,000

HIGHLIGHTS OF TRANSFERS AND OTHER SOURCES



General fund—(transfers in)	\$	400,000
General fund—(fund balance use)	\$	(495,000)
Cemetery-(fund balance use)	\$	(52,630)
Parking-(fund balance use)	\$	(112,925)
Building fund — (electric & general)	\$	675,000
Street Renewal fund- (transfers in from electric)	\$	350,000
Street Renewal fund - (fund balance use)	\$	(824,010)
Park Capital-(transfer in from liquor)	\$	40,000
Park Capital—(fund balance use)	\$	(296,150)
Electric — (transfer out)	\$	(1,200,000)
TIF — (Electric & Enterprise financing)	\$	1,660,000
TIF — (Bond issue for road)	\$	2,560,000

IMPACT TO RESIDENTIAL TAXPAYERS



Tax levy change **\$328,595**

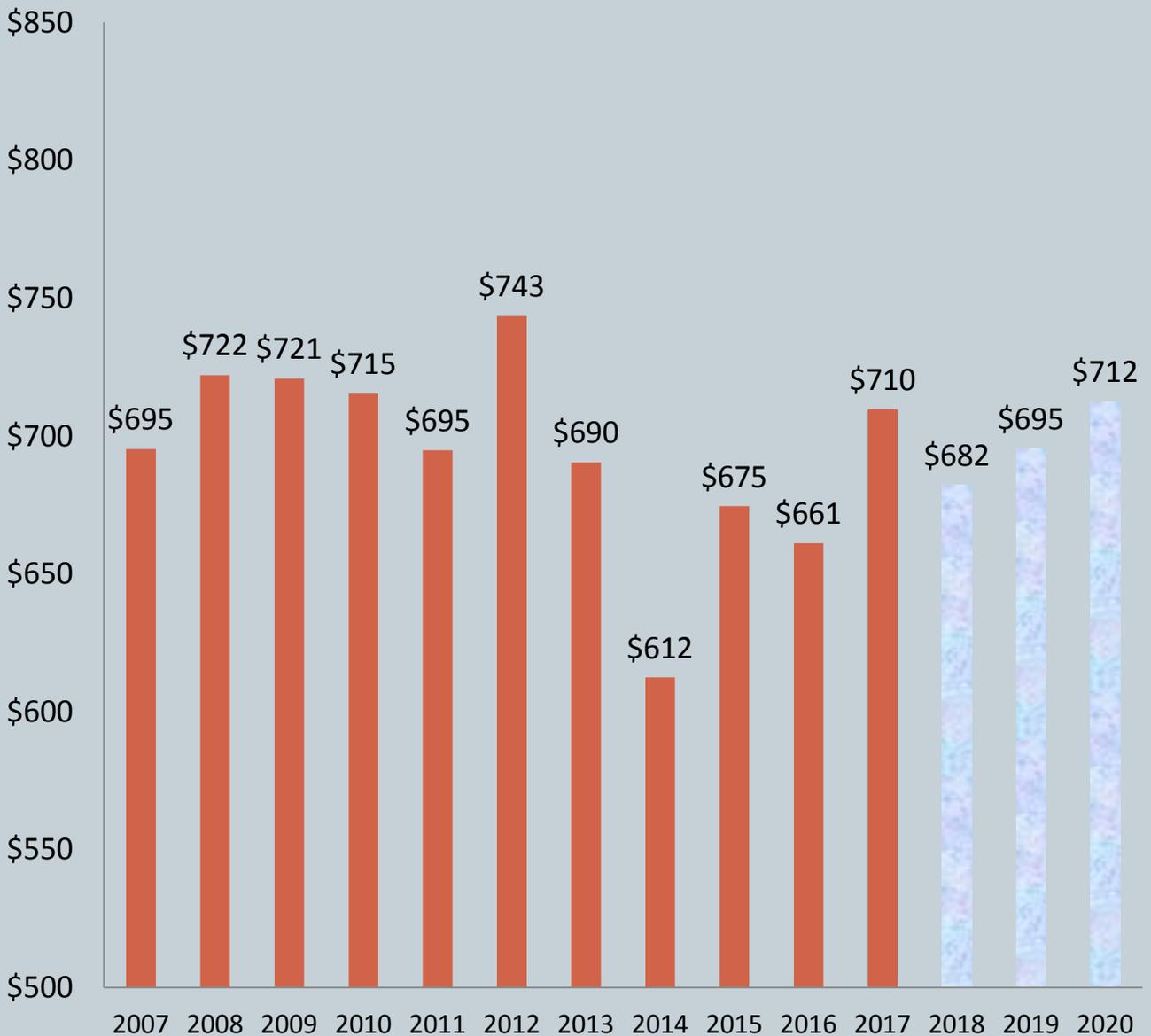
\$661 per year 2016

\$710 per year 2017

(based on taxable value of \$192,000)

This is \$12 less than the taxes paid on the
same home **in 2008**

CITY TAX ON AVERAGE VALUE PROPERTY



BUDGET SCHEDULE



WORKSESSIONS

- August 1, 2016 – 6:00 p.m. to 7:00 p.m.
- August 8, 2016 – 5:00 p.m. to 7:00 p.m.
- August 15, 2016 – 5:00 p.m. to 7:00 p.m.
- August 29, 2016 – 5:00 p.m. to 7:00 p.m.
- (budget wrap up if necessary)

REGULAR MEETING

- September 6, 2016 – Adopt preliminary levy
- December 5, 2016 – Initial Public Hearing
- December 19, 2016 – Continuation of public hearing (if necessary), Adopt final levy and budget