



CITY OF

WEST ST. PAUL

2019 Preliminary
Budget & Levy
2020 Conceptual
Budget & Levy

9/24/2018 Council Meeting

BUDGET PROCESS-2 YEAR

- This budget cycle the City has moved toward a two year budget process.
 - The Goal is to improve long term financial stability of the City while providing funding for services today.
 - Local Option Sales Tax is being proposed for levy stability in 2021
 - A long term financial plan has been incorporated into this budget process to provide for a stronger financial security.

BUDGET PROCESS-REVENUES

- Realigned allocation of Revenues: LGA and Franchise Fee.
 - Goal is to improve the overall financial health of the City Capital Project Funds and provide for Debt Reduction.
 - These revenues will now fund the annual capital needs as well as set aside savings for future needs.
 - 2019 needs:
 - City Hall maintenance
 - Park Improvements
 - Street Maintenance
 - Technology
 - Vehicle and Equipment Replacements
 - Ice Arena Improvements
 - Balance allocated to reduce Levy in General Fund

2019 Budget Initiatives:

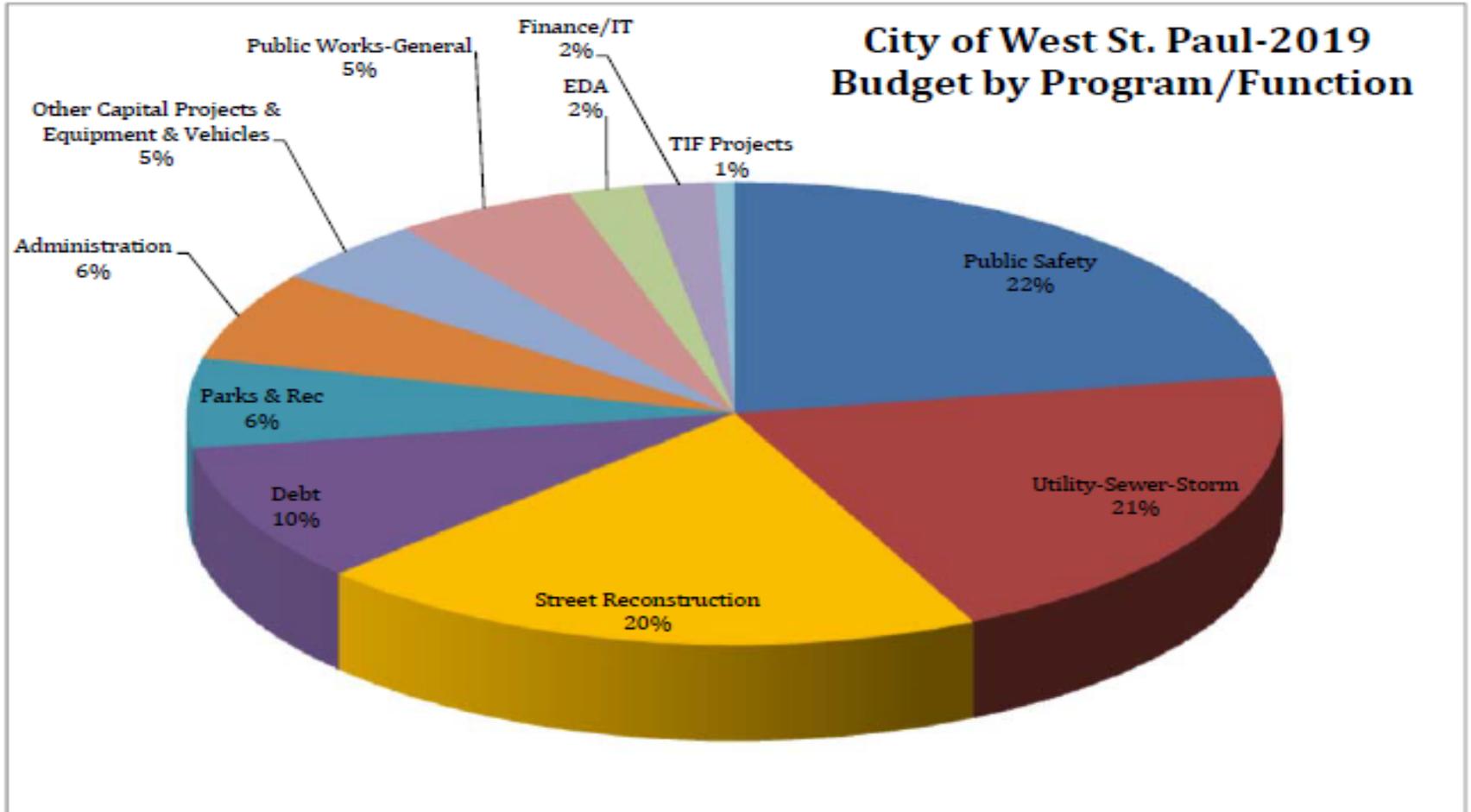
- 2019 Street Improvement Program-Livingston & Wentworth-Dakota County led project
- Both 2019 and 2020 budget focus on maintenance and repair of City infrastructure and facilities.
 - City Hall continued building maintenance-doors and windows in 2019 to increase energy efficiency, Police space needs in 2020.
 - Arena improvement in 2019 and 2020 to improve lighting-for energy efficiency and the parking lot
 - Swimming pool needs are being assessed
- Assume Robert Street Maintenance
- Increase Park Maintenance
- Lift Station 1 in 2019 and Lift Station 4 in 2020
- Improve Overall Cash Balance
 - Revenue allocations have been incorporated into the CIP and CEP plan
 - Working towards debt reduction
 - Cash goals have been set for all funds.

2019 and 2020 BUDGET

2019-2020 Summary Budget City and EDA Levy

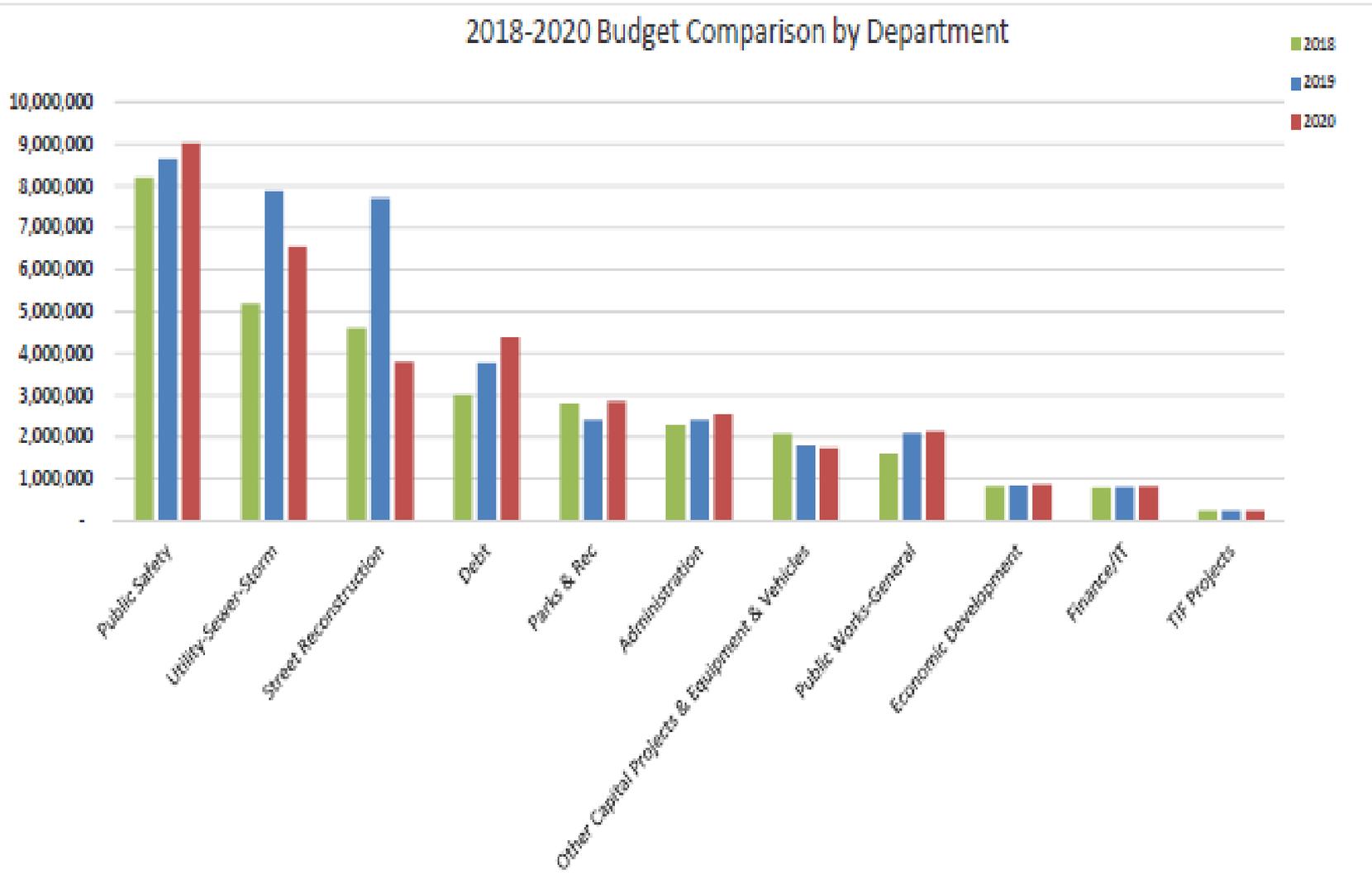
Highlights	2018 Budget	2019 Budget	Change to Net City Cost	% Change	2020 Forecast	Change to Net City Cost	% Change
Salaries/Benefits	9,573,201	9,973,474	400,273	4.18%	10,398,485	425,011	4.26%
Supplies	716,510	731,510	15,000	2.09%	724,501	(7,009)	-0.96%
Other Charges and Services	9,167,207	9,652,478	485,271	5.29%	10,054,559	402,081	4.17%
Total Operating Budget	19,456,918	20,357,462	900,544	4.63%	21,177,545	820,083	4.03%
Capital Outlay	7,935,092	12,743,469	4,808,377	60.60%	7,699,400	(5,044,069)	-39.58%
Other Financing Uses - Transfers Out	725,000	650,000	-75,000	-10.34%	650,000	-	0.00%
Debt Service-Enterprise Funds	257,052	753,839	496,787	193.26%	743,752	(10,087)	-1.34%
Debt Service-Governmental Funds	3,009,148	3,760,292	751,144	24.96%	4,383,577	623,285	16.58%
Tax Increment Financing Operations	230,010	234,523	4,513	1.96%	234,523	-	0.00%
Total Capital and Debt Budgets	12,156,302	18,142,123	5,985,821	49.24%	13,711,252	(4,430,871)	-24.42%
TOTAL BUDGET	31,613,220	38,499,585	6,886,365	21.78%	34,888,797	(3,610,788)	-9.38%

2019 BUDGET



2018-2020 BUDGET COMPARISON

2018-2020 Budget Comparison by Department



2019-2020 LEVY

Fund	Adopted 2018 Levy	Percentage of the Levy	Preliminary 2019 Levy	Percentage of the Levy	Projected 2020 Levy	Percentage of the Levy
GENERAL FUND	9,788,644	68.24%	10,821,926	68.61%	11,855,997	68.65%
COMMUNITY EVENTS	-	0.00%	4,000	0.03%	4,000	0.02%
ECONOMIC DEVELOPMENT	338,171	2.36%	335,781	2.13%	40,579	0.23%
INSURANCE FUND	393,550	2.74%	466,300	2.96%	499,780	2.89%
STREET MAINTENANCE	50,000	0.35%	-	0.00%	-	0.00%
VEHICLE & EQUIPMENT REPLACEMENT	75,000	0.52%	58,000	0.37%	-	0.00%
DEBT	3,114,600	21.71%	3,755,657	23.81%	4,445,399	25.74%
ICE ARENA	101,653	0.71%	-	0.00%	-	0.00%
REGIONAL ATHLETIC CENTER	331,084	2.31%	231,820	1.47%	231,820	1.34%
SWIMMING POOL	151,969	1.06%	100,404	0.64%	191,479	1.11%
TOTAL LEVY	<u>14,344,671</u>	100.00%	<u>15,773,888</u>	100.00%	<u>17,269,054</u>	100.00%
YEAR OVER YEAR CHANGE			9.96%		9.48%	

TAX COMPARISON-RESIDENTIAL

PROPOSED 2019-2020 CITY TAXES ON A MEDIAN SINGLE FAMILY HOME

	Final 2018	<i>Proposed 2019</i>	<i>Proposed 2020</i>
Total Tax Capacity	19,139,486.00	20,377,899.00	20,377,899.00
Captured Tax Increment Tax Capacity	(597,461.00)	<i>(597,461.00)</i>	<i>(597,461.00)</i>
Fiscal Disp Contribution	(1,860,676)	(1,913,093)	(1,860,676)
Value for Local Rate (Taxable Net Tax Capacity)	<u>16,681,349</u>	<u>17,867,345</u>	<u>17,919,762</u>
City Tax Levy	14,344,671.00	15,773,645	17,268,769
Fiscal Disparities distribution	(2,786,076.00)	(2,798,361.00)	(2,798,361.00)
Net City Tax Levy	<u>11,558,595.00</u>	<u>12,975,284.00</u>	<u>14,470,408.00</u>
Calculated City Tax Rate	69.291%	72.620%	80.751%
ESTIMATED AVERAGE MARKET VALUE-MEAN VALUE	203,105.00	217,669.00	217,669.00
Homestead Exclusion	(18,960.55)	(17,649.79)	(17,649.79)
Average Taxable Market Value	<u>184,144.45</u>	<u>200,019.21</u>	<u>200,019.21</u>
Class Rate	1%	1%	1%
Net Tax Capacity	1841	2000	2000
Estimated City Tax	<u>\$ 1,275.95</u>	<u>\$ 1,452.54</u>	<u>\$ 1,615.18</u>
Year over Year Change		<u>176.59</u>	<u>162.64</u>

*Italicized=estimate

TAX COMPARISON-COMMERICAL

PROPOSED 2019-2020 CITY TAXES ON A BUSINESS

	Final 2018	<i>Proposed 2019</i>	<i>Proposed 2020</i>
Total Tax Capacity	19,139,486.00	20,377,899.00	20,377,899.00
Captured Tax Increment Tax Capacity	(597,461.00)	(597,461.00)	(597,461.00)
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Net City Tax Levy	<u>11,558,595.00</u>	<u>12,975,284.00</u>	<u>14,470,408.00</u>
Calculated City Tax Rate	69.291%	72.620%	80.751%
BUSINESS VALUE	500,000.00	530,000.00	530,000.00
Class Rate			
1.5% OF 1ST \$150,000	2250	2250	2250
2.0% OF \$350,000	7000	7600	7600
Less Fiscal Disparitie estimate	-899	-925	-925
Net Tax Capacity	8351	8925	8925
Estimated City Tax	<u>\$ 5,786.38</u>	<u>\$ 6,481.41</u>	<u>\$ 7,207.04</u>
Year over Year Change		695.02	725.63

**Italicized=estimate*

NEXT STEPS:

- Tonight adopt preliminary budget and levy for 2019 and set date for public hearing on Dec. 10th.
- Staff will continue to work toward lowering the budget and levy.
- At the December 10th Council meeting
 - The 2019 budget/levy will be adopted
 - The 2020 budget will be conceptual approved
 - The updated CIP/CEP plans will be approved as well as the financial plan incorporated into these budgets



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