

Truth-in-Taxation Presentation

2019 Proposed Budget and Preliminary Tax Levy

City of Arden Hills

Public Hearing

December 10, 2018, 7:00 PM

Agenda

- Why Tax Bills Change
- Property Tax in Minnesota
- General Fund Budget Summary
- Proposed 2019 Tax Levy
- City Wide Budget
- Capital Improvement Plan
- Resources for Property Tax Relief
- Public Comment

Why Tax Bills Change

- Market value changes
- Budgets and levies of various jurisdictions
- Special Assessments
- Voter approved referendums
- Changes in Federal and State mandates
- Changes in aid and revenue from State and Federal governments
- State Legislative changes

Property Tax in Minnesota

- County assessor determines property values in the year prior to the taxes being paid
- City sets preliminary levy by September (other taxing districts, county and school districts, also set their own levies)
- Proposed property tax notices are mailed by County
- City holds Truth-in-Taxation Public Hearing by December
- Property taxes are finalized for following year

Property Tax in Minnesota cont.

- Projected changes in 2019:
 - Median Value home increasing to \$346,900 from \$333,800 (3.9% increase)
 - County wide increase of 7.4%
 - Apartments are seeing the largest gains
- How property taxes are calculated:

*Estimated Market Value	\$346,900
Less homestead exclusion	(\$6,000)
Taxable Market Value	\$340,900
Property's Class Rate	X 1%
Tax Capacity	\$3,409
**Estimated City Tax Rate	25.431%
Estimated Pay 2019 City Taxes	\$866.93

*Estimated Market Value is for a Median Valued Home in Arden Hills

**Estimated City Tax Rate is based on the 4% Increase in Levy

Property Tax in Minnesota cont.

RAMSEY COUNTY
 90 Plato Blvd West • Saint Paul, MN
 651-266-2000 • AskPropertyTaxandRecords@ramseycounty.us
 ramseycounty.us/property



PIN/Property Address/Abbreviated Tax Description

CURRENT STEP

2019 Proposed Property Tax This is NOT a bill - DO NOT PAY

Valuation and classification			
Tax Payable Year	2018	2019	
Estimated Market Value	\$363,600	\$380,400	
Green Acres Value	0	0	
Flat Deferment	0	0	
This Old House Exclusion	0	0	
Disabled Vets Value	0	0	
Exclusion	0	0	
Homestead Market Value	0	0	
Exclusion	4,500	3,000	
Taxable Market Value	\$369,100	\$377,400	
Property Classification	Res Hstd	Res Hstd	

Proposed Tax Notice	
Property Taxes after credit	\$4,974.00

! The time to provide feedback on proposed levies is now. The only way to appeal your value at this time is by going to tax court. Please see insert for more information.

Property Tax Statement	
Coming March 2019	

The \$969.77 is based on a 5% levy increase. A 4% levy increase would amount to \$959.75.

PROPOSED PROPERTY TAXES AND MEETINGS BY JURISDICTION FOR YOUR PROPERTY

Contact Information	Column 1 2018 Tax - Actual	Column 2 2019 Tax - Proposed	Tax and Budget Meetings and Locations
Ramsey County Regional Railroad Authority	1,777.36 137.55	1,824.50 146.03	November 26, 2018 at 6:30 p.m. Union Depot - Red Cap Room 214 4th St. E. Saint Paul, MN 55101
County Library Ramsey County 15 W. Kellogg Blvd., Suite 250 Saint Paul, MN 55102 651-266-2000	161.21	162.35	
Arden Hills City of Arden Hills 1245 Highway 96 W Arden Hills, MN 55112 (651) 792-7800	916.87	969.77	December 10, 2018 at 7:00 PM Council Chambers 1245 Highway 96 W Arden Hills, MN 55112
State General Tax	0.00	0.00	No Meeting Required
ISD #621 ISD 621 4570 Victoria Street N Shoreview, MN 55126 (651) 621-8017 a. Voter approved levies b. Other local levies	922.12 817.20	905.71 801.11	December 11, 2018 at 6:00 PM Mounds View District Office 4570 Victoria Street N Shoreview, MN 55126
Metropolitan Special Taxing Districts Metropolitan Council 390 Robert St. N. Saint Paul, MN 55101 651-602-1738	93.11	94.70	December 12, 2018 at 6 p.m. Council Chambers 390 Robert St. N. Saint Paul, MN 55101
Other special taxing districts	65.58	69.83	No Meeting Required
Tax increment	0.00	0.00	No Meeting Required
Fiscal disparity	0.00	0.00	No Meeting Required
Total Tax excluding special assessments	\$4,891.00	\$4,974.00	
Percent of Tax Change		1.7%	

General Fund Budget Summary

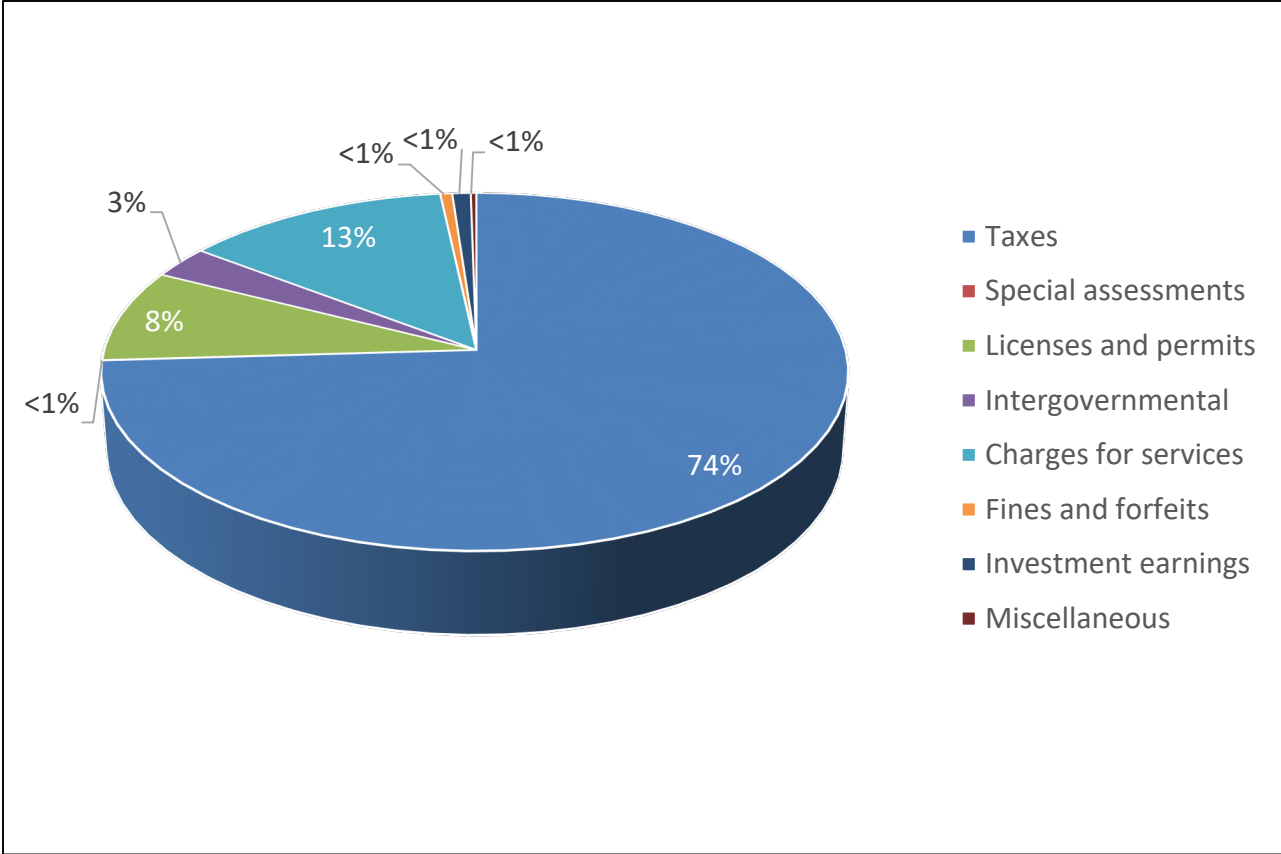
- City Council set a preliminary levy increase of 5.0% or \$189,348
- This presentation is based on a 4.0% levy increase or \$151,478
- Total General Fund revenues are expected to increase by 7.15% or \$353,089
- Total General Fund expenditures are expected to increase by 5.85% or \$302,834
- General Fund reserves show a budgeted decrease of \$186,970

General Fund Budget Summary cont.

GENERAL FUND	2016 Actual	2017 Actual	9/30/2018 YTD	2018 Budget	2019 Budget	\$ Increase (Decrease)	% Increase (Decrease)
REVENUES							
Taxes	\$ 3,260,537	\$ 3,541,704	\$ 1,882,560	\$ 3,795,042	\$ 3,919,750	\$ 124,708	3.29%
Special assessments	1,332	1,265	4,204	2,000	1,220	(780)	-39.00%
Licenses and permits	598,687	729,198	312,503	324,600	443,020	118,420	36.48%
Intergovernmental	131,914	151,425	100,947	133,179	153,220	20,041	15.05%
Charges for services	700,855	718,906	294,380	585,704	683,300	97,596	16.66%
Fines & forfeits	31,868	29,988	14,982	34,000	30,420	(3,580)	-10.53%
Investment earnings	52,161	36,012	5,933	55,000	47,230	(7,770)	-14.13%
Miscellaneous	25,636	22,642	7,619	10,006	14,460	4,454	44.51%
TOTAL REVENUES	\$ 4,802,989	\$ 5,231,139	\$ 2,623,128	\$ 4,939,531	\$ 5,292,620	\$ 353,089	7.15%
EXPENDITURES							
Mayor & council	\$ 65,051	\$ 56,513	\$ 54,195	\$ 67,500	\$ 68,760	\$ 1,260	1.87%
Administration	173,781	260,304	210,122	327,500	326,810	(690)	-0.21%
Elections	21,137	21,137	17,546	23,000	23,000	-	0.00%
Finance	172,268	192,663	145,724	176,300	181,740	5,440	3.09%
TCAAP	242,663	98,883	75,499	170,000	171,190	1,190	0.70%
Planning & Zoning	173,853	197,976	99,370	266,250	217,320	(48,930)	-18.38%
Government Buildings	233,560	248,879	155,362	275,000	271,010	(3,990)	-1.45%
Police	1,089,185	1,177,494	894,756	1,194,775	1,242,250	47,475	3.97%
Dispatch	67,780	68,832	43,450	65,175	68,500	3,325	5.10%
Fire	495,216	514,468	541,663	544,000	573,680	29,680	5.46%
Emergency Management	2,966	3,364	8,280	9,476	3,910	(5,566)	-58.74%
Protective Inspections	326,360	293,877	213,329	342,746	333,610	(9,136)	-2.67%
Street Maintenance	479,814	443,632	376,140	587,872	719,300	131,428	22.36%
Recreation	275,039	250,898	188,352	266,650	340,540	73,890	27.71%
Park Maintenance	346,795	367,715	275,188	440,512	517,970	77,458	17.58%
Transfers out	775,121	340,000	-	420,000	420,000	-	0.00%
TOTAL EXPENDITURES	\$ 4,940,589	\$ 4,536,635	\$ 3,298,977	\$ 5,176,756	\$ 5,479,590	\$ 302,834	5.85%
NET CHANGE IN FUND BALANCE	\$ (137,600)	\$ 694,505	\$ (675,849)	\$ (237,225)	\$ (186,970)	\$ 50,255	-21.18%

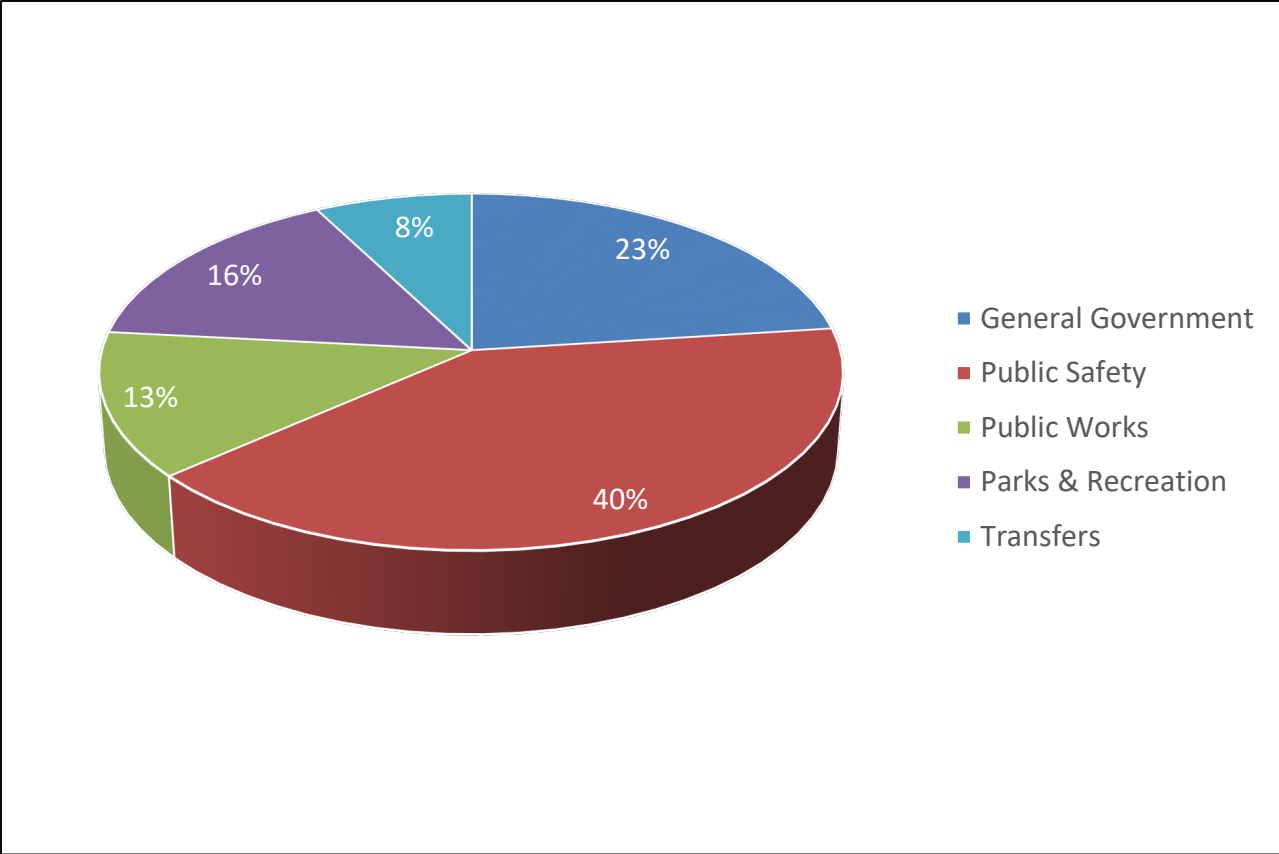
General Fund Budget Summary cont.

General Fund Revenues
Estimated 2019 Total: \$5,292,620



General Fund Budget Summary cont.

General Fund Expenditures
Estimated 2019 Total: \$5,479,590



Proposed 2019 Tax Levy

City of Arden Hills Past Levies and Tax Rates

Year	Tax Levy	% Change	Tax Rate	% Change
2009	2,948,646	5.4%	20.52%	4.7%
2010	3,016,465	2.3%	22.67%	10.5%
2011	3,040,964	0.8%	24.19%	6.7%
2012	3,096,994	1.8%	25.54%	5.6%
2013	3,191,230	3.0%	27.93%	9.3%
2014	3,257,456	2.1%	27.95%	0.1%
2015	3,359,775	3.1%	27.29%	-2.3%
2016	3,478,775	3.5%	26.54%	-2.8%
2017	3,641,290	4.7%	27.21%	2.5%
2018	3,786,942	4.0%	25.53%	-6.2%

City of Arden Hills 2019 Proposed Levy

Year	Tax Levy	% Change	Tax Rate	% Change
2019	3,938,420	4.0%	25.431%	-0.4%

Proposed 2019 Tax Levy

City of Arden Hills Surrounding Levy Increases and City Tax Rates

City	Prelim Levy Increase	City Tax Rate
St. Anthony	5.60%	68.52%
St. Paul	11.50%	50.56%
Spring Lake Park	4.10%	48.79%
North St. Paul	13.40%	45.69%
Maplewood	3.10%	44.41%
New Brighton	9.80%	42.79%
Gem Lake	4.60%	39.67%
Mounds View	9.40%	37.91%
Falcon Heights	25.00%	37.27%
Roseville	4.90%	37.16%
Shoreview	4.50%	33.19%
Lauderdale	5.80%	29.02%
Little Canada	3.40%	26.19%
Arden Hills	4.00%	25.43%
Town of White Bear	17.40%	24.34%
Vadnais Heights	3.40%	24.03%
White Bear Lake	12.90%	20.14%
North Oaks	8.70%	11.23%

Proposed 2019 Tax Levy

Estimated Cost of City Services for 2019

Cost of City Services Pay 2019 Property Tax Support for \$346,900 Homestead				
City Service Category	Actual	Percent of Levy	Amount of Levy	Monthly Cost
General Government Mayor/Council, Administration, Communications, Elections, Auditor, Assessor, Legal, Planning	\$1,259,830	23.0%	\$199	\$16.61
Public Safety Building Inspection/Code Enforcement, Court, Police Contract, Fire, Ambulance, Human Services, Animal Control	\$2,221,950	40.5%	\$352	\$29.29
Public Works Engineering, Streets, Street Lighting, City Buildings	\$719,300	13.1%	\$114	\$9.48
Parks	\$517,970	9.5%	\$82	\$6.83
Recreation	\$340,540	6.2%	\$54	\$4.49
Transfers - EDA	\$120,000	2.2%	\$19	\$1.58
Transfers - Capital	\$300,000	5.5%	\$47	\$3.96
Totals	\$5,479,590	100.0%	\$867	\$72

Proposed 2019 Tax Levy

Tax Dollar Divided by Taxing Authority



City Tax Portion

- City - 23 cents per tax dollar
- County - 47 cents per tax dollar
- Schools - 23 cents per tax dollar
- Misc - 7 cents per tax dollar

Check Register

Description of Transaction	Balance
<i>Public Safety</i>	\$29.29
<i>General Government</i>	\$16.61
<i>Parks and Recreation</i>	\$11.32
<i>Public Works</i>	\$ 9.48
<i>Capital (transfers)</i>	\$ 3.96
<i>EDA (transfers)</i>	\$ 1.58

For a Median Valued Home, \$72 a month in property taxes buys police and fire services, street maintenance, park and recreation amenities, code enforcement, and a variety of other City services.

Residential property % change in Total Tax (not just City)

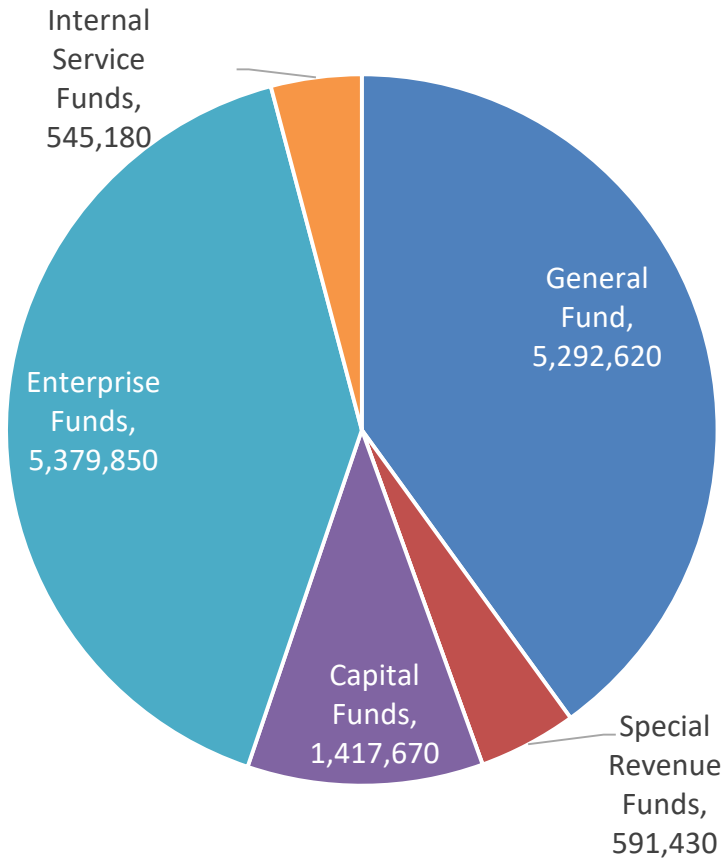
This is based on a 5% City levy increase.

	TOTAL	
	# parcels	
<=0	958	36%
0-10%	1,418	54%
10-20%	124	5%
20-30%	102	4%
>30%	31	1%
	2,633	

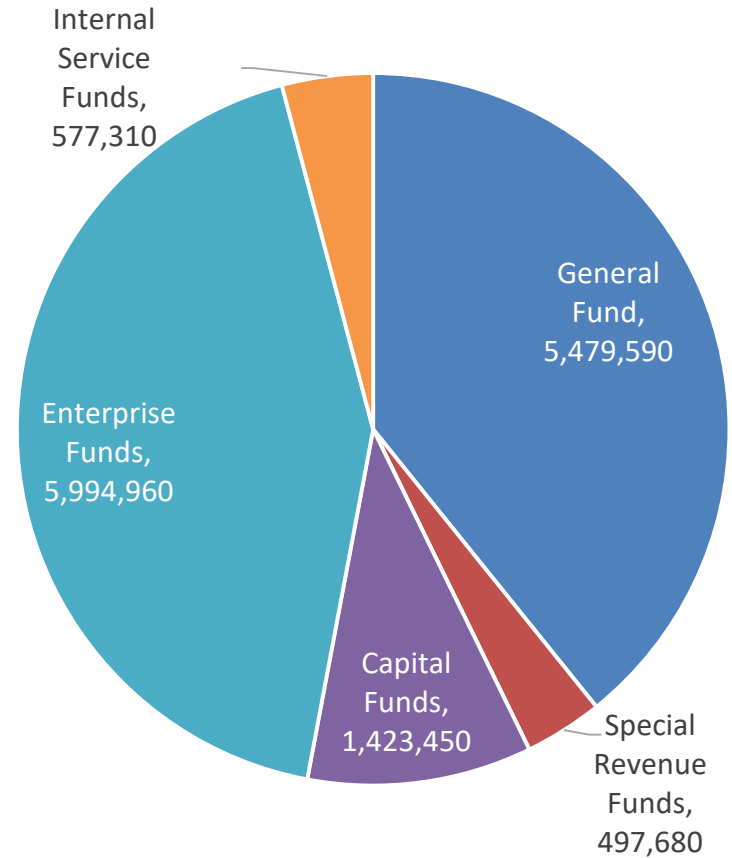
Median change by School District: 621 \$ 91
623 \$153

City Wide Budget Summary

City Wide Revenues - \$13,226,750



City Wide Expenditures - \$13,972,990



City Wide Budget Summary

Driving Factors in 2019 Budget

- General Fund Tax Levy Increase
 - 4.0% or \$151,478
- Capital Improvement Program CIP
- Increase in Public Safety Costs
 - Fire Contract (\$29,680) and Police Contract (\$48,475)
- Staffing
 - Addition of Sr. Engineering Technician and Recreation Programmer
- Transfers
 - \$120,000 from General Fund to EDA General Fund
 - \$300,000 from General Fund to Capital Funds
- Utility rate increases based on results from study

Capital Improvement Plan

Summary of Expenditures

Expenditures by Year						
Department	2019	2020	2021	2022	2023	Total
Economic Development	40,000	0	246,130	0	40,000	326,130
Government Buildings	230,000	50,000	50,000	50,000	50,000	430,000
Parks Department	510,000	120,000	245,000	120,000	120,000	1,115,000
Public Safety Department	73,451	57,918	35,525	189,140	55,125	411,159
Sewer Department	325,000	360,000	480,000	100,000	0	1,265,000
Street Department	300,000	5,250,000	0	2,500,000	0	8,050,000
Surface Water Department	200,000	100,000	150,000	100,000	100,000	650,000
Water Department	550,000	250,000	250,000	250,000	0	1,300,000
TCAAP - Infrastructure*	0	3,200,000	4,800,000	0	0	8,000,000
Equipment/Building Replacement	295,000	10,000	0	36,000	0	341,000
TCAAP - Equipment*	0	0	262,000	167,000	15,000	444,000
Total	2,523,451	9,397,918	6,518,655	3,512,140	380,125	22,332,289

The above table shows the City of Arden Hill's estimated costs for capital projects and equipment for the next five years broken down by department.

*Please note TCAAP capital expenditures have been separated to illustrate the difference between normal capital projects and the TCAAP redevelopment project.

Resources for Property Tax Relief

- State of Minnesota Property Tax Refund
 - Qualified homeowners and renters when taxes are high relative to their incomes
 - Down load a M1PR form at www.revenue.state.mn.us/Forms_and_Instructions/m1pr_18.pdf
 - Call the Minnesota Department of Revenue at **651-296-3781**
- State of Minnesota Senior Citizen Property Tax Deferral Program
 - Helps senior citizens who are having difficulty paying their property taxes.
 - Download fact sheet at
 - www.revenue.state.mn.us/propertytax/factsheets/factsheet_07.pdf
 - Call Tax Operations Division at MN Department of Revenue **651-556-4803**

Public Comment

Questions