

Truth-in-Taxation Presentation

2021 Proposed Budget and Preliminary Tax Levy

City of Arden Hills

Public Hearing

December 14, 2020, 7:00 PM

Attachment A

Agenda

- Why Tax Bills Change
- Property Tax in Minnesota
- General Fund Budget Summary
- Proposed 2021 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 2021:
 - Median Value home increasing to \$387,500 from \$372,400 (4.05% increase)
 - County wide increase of 4.9%
 - Apartments are seeing the largest gains
- How property taxes are calculated:

*Estimated Market Value	\$387,500
Less homestead exclusion	(\$2,400)
Taxable Market Value	\$385,100
Property's Class Rate	X 1%
Tax Capacity	\$3,851
**Estimated City Tax Rate	25.2829%
Estimated Pay 2021 City Taxes	\$973.64

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

**Estimated City Tax Rate is based on the 4.25% Increase in Levy

Property Tax in Minnesota cont.



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



PIN/Property Address/Abbreviated Tax Description

CURRENT STEP

2021 **Proposed** Property Tax
 This is **NOT** a bill. **DO NOT PAY!**

Valuation and classification			
	2020	2021	
Tax Payable Year	2020	2021	
Estimated Market Value	\$389,600	\$392,300	
Green Acres Value	0	0	
Plat Deferral	0	0	
This Old House Exclusion			
Disabled Vets Value			
Exclusion	0	0	
Homestead Market Value			
Exclusion	2,200	1,900	
Taxable Market Value	\$387,400	\$390,400	
Property Classification	Res Hstd	Res Hstd	

Proposed Tax Notice	
Property Taxes after credit	\$5,078.00

! 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.

Step 3 Property Tax Statement
 Coming March 2021

PROPOSED PROPERTY TAXES AND MEETINGS BY JURISDICTION FOR YOUR PROPERTY

Contact Information	Column 1 2020 Tax – Actual	Column 2 2021 Tax – Proposed	Tax and Budget Meetings and Locations
Ramsey County Regional Railroad Authority	1,862.91 151.79	1,709.86 149.18	November 30, 2020 at 6:30 p.m. Virtual and in-person options are available. Visit ramseycounty.us/PublicHearings for details. In-person location: 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 651-266-2222	163.52	152.23	
Arden Hills City of Arden Hills 1245 Highway 96 W Arden Hills, MN 55112 (651) 792-7800	984.54	987.04	
State General Tax	0.00	0.00	No Meeting Required
ISD #621 ISD 621 4570 Victoria Street N Shoreview, MN 55126 (651) 621-6017 a. Voter approved levies b. Other local levies	1,207.25 903.22	1,105.31 818.47	December 8, 2020 at 6:00 PM This will be a virtual meeting. See www.moundviewschools.org for meeting details.
Metropolitan Special Taxing Districts Metropolitan Council 390 Robert St. N. Saint Paul, MN 55101 651-602-1738	93.20	84.79	December 9, 2020 at 6 p.m. Virtual meeting hosted via livestream. Visit metro council.org/About-Us/Who-We-Are/Budget.aspx for details.
Other special taxing districts	74.57	71.12	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	\$5,441.00	\$5,078.00	
Percent of Tax Change		-6.7%	



General Fund Budget Summary

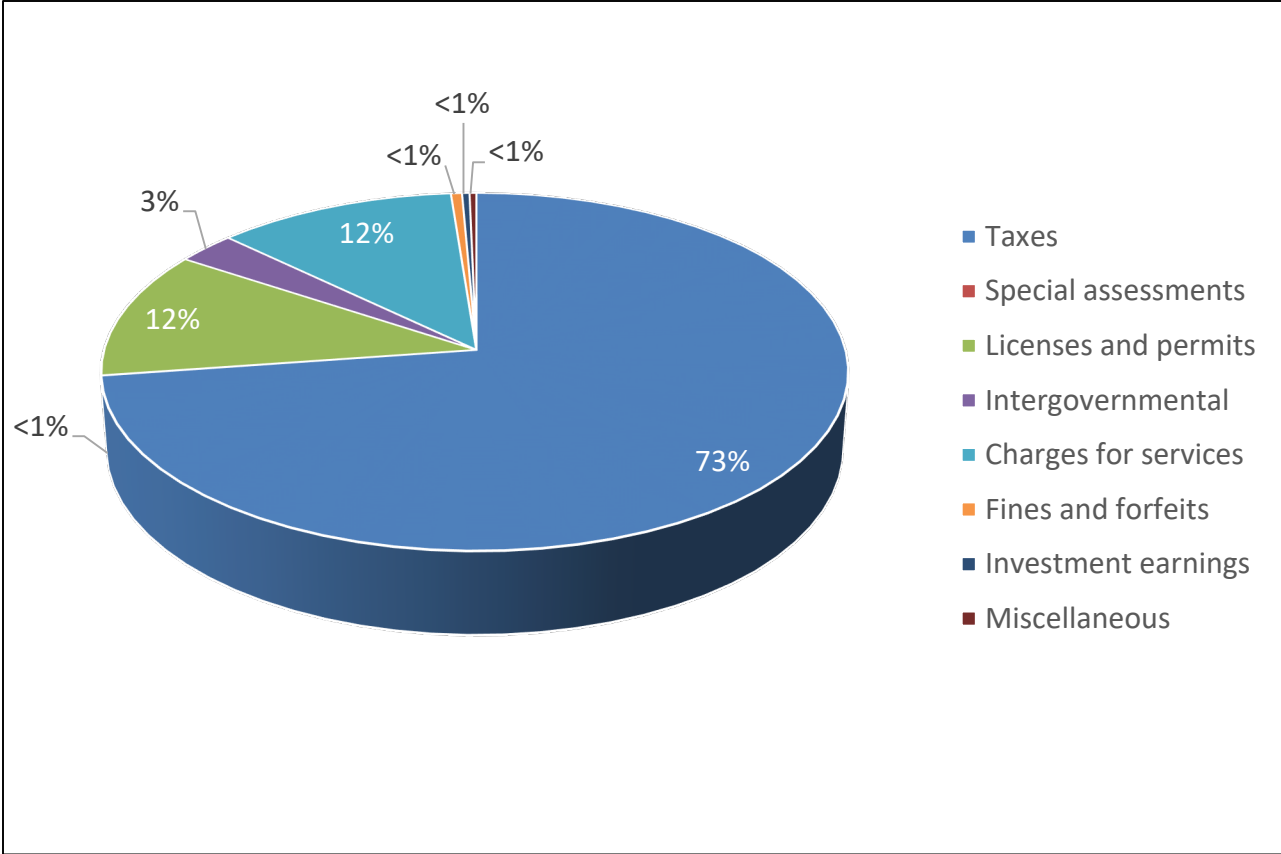
- City Council set a preliminary levy increase of 4.25% or \$175,750 (\$125,750 of this is for the General Fund)
- Total General Fund revenues are expected to increase by 5.2% or \$256,550
- Total General Fund expenditures are expected to increase by 3.9% or \$194,670
- General Fund reserves show a budgeted decrease of \$59,710

General Fund Budget Summary cont.

GENERAL FUND	2018 Actual	2019 Actual	10/31/2020 YTD	2020 Budget	2021 Budget	\$ Increase (Decrease)	% Increase (Decrease)
REVENUES							
Taxes	\$ 3,158,628	\$ 3,375,624	\$ 2,008,189	\$ 3,619,700	\$ 3,746,940	\$ 127,240	3.52%
Special assessments	5,363	772	2,061	1,190	1,060	(130)	-10.92%
Licenses and permits	526,444	714,530	387,614	466,350	594,510	128,160	27.48%
Intergovernmental	149,097	162,041	105,465	151,680	147,730	(3,950)	-2.60%
Charges for services	484,973	575,119	238,425	540,610	599,650	59,040	10.92%
Fines & forfeits	37,080	34,512	8,970	30,030	27,650	(2,380)	-7.93%
Investment earnings	64,996	119,231	81,234	65,000	18,600	(46,400)	-71.38%
Miscellaneous	36,103	23,073	54,644	22,160	17,130	(5,030)	-22.70%
TOTAL REVENUES	\$ 4,462,682	\$ 5,004,904	\$ 2,886,600	\$ 4,896,720	\$ 5,153,270	\$ 256,550	5.24%
EXPENDITURES							
Mayor & council	\$ 61,962	\$ 66,988	\$ 57,732	\$ 72,100	\$ 73,960	\$ 1,860	2.58%
Administration	303,559	318,670	260,276	350,440	371,920	21,480	6.13%
Elections	22,869	23,777	24,833	23,000	31,850	8,850	38.48%
Finance	154,408	155,637	154,656	186,260	185,900	(360)	-0.19%
TCAAP	146,360	96,152	40,365	87,610	85,130	(2,480)	-2.83%
Planning & Zoning	176,913	200,771	127,693	206,210	230,130	23,920	11.60%
Government Buildings	173,706	196,279	124,430	204,250	197,030	(7,220)	-3.53%
Police	1,161,955	1,356,029	1,114,484	1,338,120	1,390,240	52,120	3.90%
Dispatch	65,175	51,369	34,184	45,580	55,800	10,220	22.42%
Fire	541,663	573,680	620,986	620,990	656,400	35,410	5.70%
Emergency Management	9,837	5,659	5,153	5,840	5,790	(50)	-0.86%
Protective Inspections	309,712	412,558	247,681	327,950	347,980	20,030	6.11%
Street Maintenance	579,533	632,530	547,503	723,730	755,540	31,810	4.40%
Recreation	260,653	284,893	142,272	346,110	262,730	(83,380)	-24.09%
Park Maintenance	393,322	394,694	305,738	480,120	562,580	82,460	17.17%
Transfers out	400,000	360,000	478,000	-	-	-	N/A
TOTAL EXPENDITURES	\$ 4,761,628	\$ 5,129,687	\$ 4,285,988	\$ 5,018,310	\$ 5,212,980	\$ 194,670	3.88%
NET CHANGE IN FUND BALANCE	\$ (298,945)	\$ (124,783)	\$ (1,399,388)	\$ (121,590)	\$ (59,710)	\$ 61,880	-50.89%

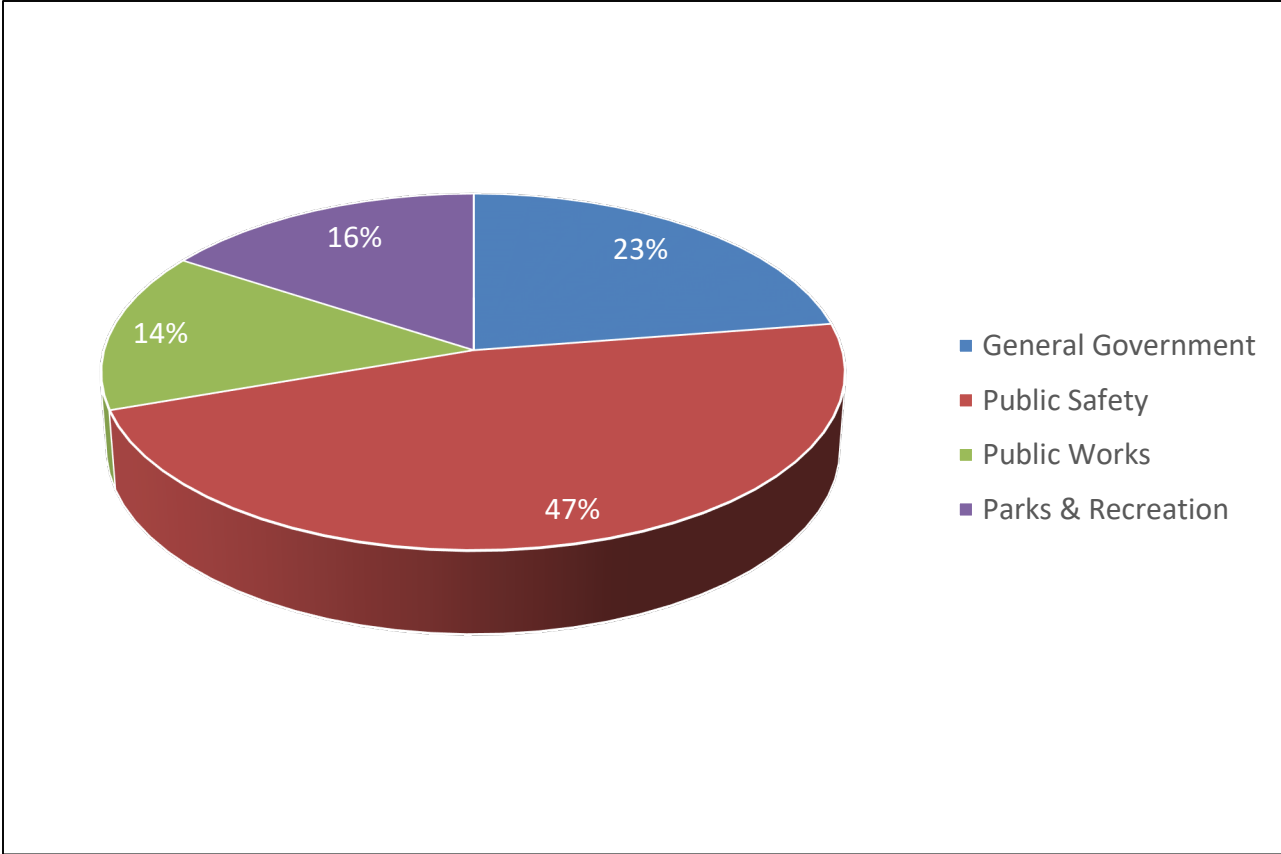
General Fund Budget Summary cont.

General Fund Revenues
Estimated 2021 Total: \$5,153,270



General Fund Budget Summary cont.

General Fund Expenditures
Estimated 2021 Total: \$5,212,980



Proposed 2021 Tax Levy

City of Arden Hills Past Levies and Tax Rates

Year	Tax Levy	% Change	Tax Rate	% Change
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%
2019	3,938,420	4.0%	25.56%	0.1%
2020	4,135,340	5.0%	25.41%	-0.6%

City of Arden Hills 2021 Proposed Levy

Year	Tax Levy	% Change	Tax Rate	% Change
2021	4,311,090	4.25%	25.2829%	-0.5%

Proposed 2021 Tax Levy

City of Arden Hills Surrounding Levy Increases and City Tax Rates

City	Prelim Levy Increase	City Tax Rate
St. Anthony	7.27%	63.97%
St. Paul	0.00%	45.02%
Spring Lake Park	-0.70%	44.93%
Maplewood	1.20%	41.99%
North St. Paul	-0.07%	38.15%
Falcon Heights	8.92%	37.92%
Roseville	5.04%	37.24%
Gem Lake	1.22%	36.45%
Mounds View	3.50%	35.57%
New Brighton	2.10%	34.60%
Shoreview	5.04%	32.32%
Lauderdale	6.40%	27.73%
Arden Hills	4.25%	25.28%
Town of White Bear	20.23%	25.04%
Little Canada	3.47%	24.07%
Vadnais Heights	3.39%	23.29%
White Bear Lake	6.79%	20.32%
North Oaks	6.18%	11.77%

Proposed 2021 Tax Levy

Estimated Cost of City Services for 2021

Cost of City Services Pay 2021 Property Tax Support for \$387,500 Homestead				
City Service Category	Actual	Percent of Levy	Amount of Levy	Monthly Cost
General Government Mayor/Council, Administration, Communications, Elections, Auditor, Assessor, Legal, Planning	\$1,175,920	20.5%	\$200	\$16.64
Public Safety Building Inspection/Code Enforcement, Court, Police Contract, Fire, Ambulance, Human Services, Animal Control	\$2,456,210	42.8%	\$417	\$34.76
Public Works Engineering, Streets, Street Lighting, City Buildings	\$755,540	13.2%	\$128	\$10.69
Parks	\$562,580	9.8%	\$96	\$7.96
Recreation	\$262,730	4.6%	\$45	\$3.72
EDA	\$100,000	1.7%	\$17	\$1.42
Capital	\$420,000	7.3%	\$71	\$5.94
Totals	\$5,732,980	100.0%	\$974	\$81

Proposed 2021 Tax Levy

Tax Dollar Divided by Taxing Authority



City Tax Portion

- City - 24 cents per tax dollar
- County - 46 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>	\$34.76
<i>General Government</i>	\$16.64
<i>Parks and Recreation</i>	\$11.68
<i>Public Works</i>	\$10.69
<i>Capital</i>	\$ 5.94
<i>EDA</i>	\$ 1.42

For a Median Valued Home, \$81 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)

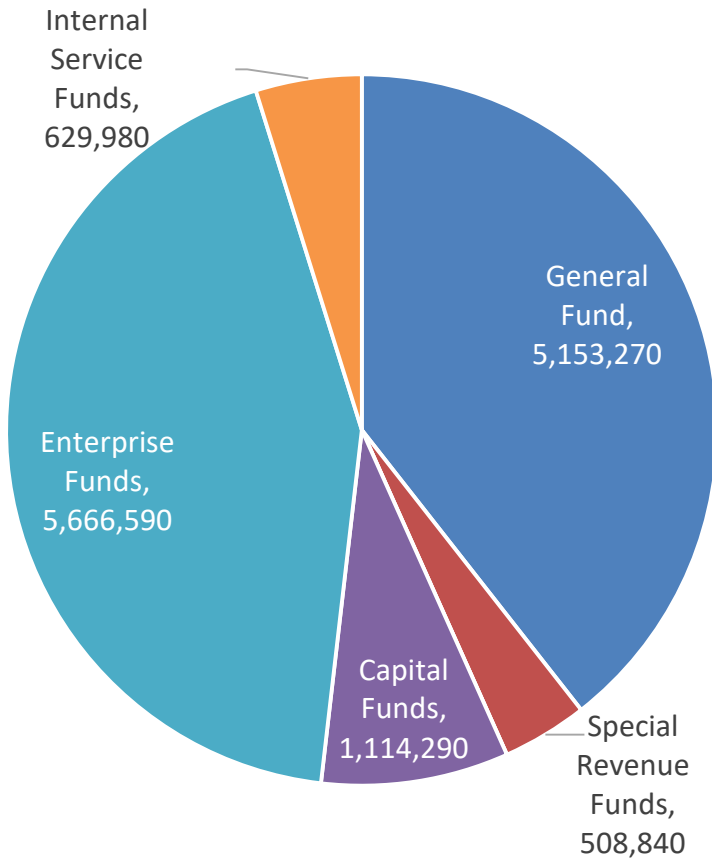
This is based on a 4.25% City levy increase.

	TOTAL	
	# parcels	
<=0	2,186	83%
0-10%	404	15%
10-20%	30	1%
20-30%	8	<1%
>30%	10	<1%
	2,638	

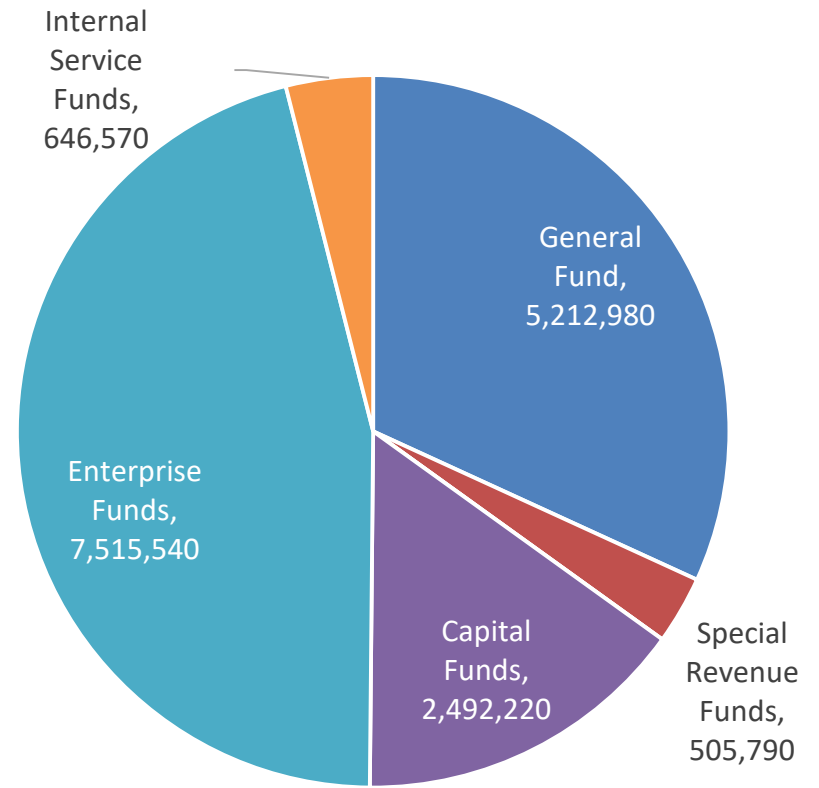
Median change by School District: 621 -\$195
 623 -\$ 96

City Wide Budget Summary

City Wide Revenues - \$13,072,970



City Wide Expenditures - \$16,373,100



City Wide Budget Summary

Driving Factors in 2021 Budget

- Tax Levy Increase
 - 4.25% or \$175,750
- Capital Improvement Program CIP
- Increase in Public Safety Costs
 - Fire Contract (\$35,410), Police Contract (\$51,120), and Dispatch Contract (\$10,220)
- Personnel Costs
 - Cost of Living Adjustments, Step Increases and Health Insurance
- Utility rate increases based on projections and results from study

Capital Improvement Plan

Summary of Expenditures

Expenditures by Year						
Department	2021	2022	2023	2024	2025	Total
Economic Development	-	246,130	-	40,000	-	286,130
Government Buildings	50,000	310,000	50,000	50,000	200,000	660,000
Parks Department	-	626,000	55,000	-	206,000	887,000
Public Safety Department	100,260	238,120	25,000	82,750	620,000	1,066,130
Sewer Department	436,000	90,000	385,000	-	330,000	1,241,000
Street Department	3,784,000	2,957,000	1,885,000	1,385,000	2,812,000	12,823,000
Surface Water Department	232,000	-	290,000	-	-	522,000
Water Department	-	75,000	-	60,000	90,000	225,000
Equipment	453,960	71,000	80,000	270,000	230,000	1,104,960
Total	5,056,220	4,613,250	2,770,000	1,887,750	4,488,000	18,815,220

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.

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/property-tax-refund
 - 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.
 - Information can be found at www.revenue.state.mn.us/senior-citizens-property-tax-deferral-program
 - Call Tax Operations Division at MN Department of Revenue **651-556-4803**

Public Comment

Questions

