



Truth in Taxation Public Hearing
2019 Budget
December 5, 2018

Purpose of Meeting:

- ❖ **Purpose: To gather public comment on the City's budget, and the property taxes needed to pay for the expenditures that are budgeted for 2019**
- ❖ **Meeting held in each taxing jurisdiction (county, city, school district, etc.)**
- ❖ **Mandated by State Legislature**

How Property Tax System Works

- ❖ **Assessor sets proposed property values as of January 1 for the following year taxes. Values are based on comparable sales.**
- ❖ **These values are sent to the County Auditor. Auditor then sends property specific notices to property owners notifying of the value change. Included in the notice is the information about the Board of Review meeting.**
- ❖ **City Council conducts Board of Review meeting in April of each year; this is when residents can question their proposed values.**
- ❖ **Values are then finalized and set for calculating the taxes.**
- ❖ **In September the City sets the maximum levy amount which is used to calculate taxes in notices mailed in November**
- ❖ **City and other jurisdictions adopt levy and budgets in December. Tax rates are calculated by County based on the levies adopted by each jurisdiction.**

City Budget Process:

- ❖ **June/July- staff and committees draft operating budgets**
- ❖ **August/September – City Council Work Session budget overview**
- ❖ **September – City Council adopts resolution certifying maximum tax levy of \$2,313,880 (2.48% increase for 2019)**
- ❖ **November- County mails proposed property tax statements based on maximum levy amounts**
- ❖ **December 5nd - Public hearing on 2019 budget**
- ❖ **December 18th - Council adopts 2019 budget**

Scandia's Budget:

- ❖ **General Fund**

- **Operating Budgets by Department**

- ❖ **Special Revenue Fund**

- **Cable Television Fund, Economic Development Authority**

- ❖ **Debt Service Funds**

- **Streets and Equipment**

- ❖ **Capital Funds**

- **Capital Improvement, Park Improvement, Equipment Replacement, Local Road Improvement**

- ❖ **Enterprise Fund**

- **201 Wastewater System, Uptown Wastewater System**

BUDGET ASSUMPTIONS

PERSONAL SERVICE

Pay structure - merit step increases for non-bargaining unit employees	-	2.00%
Pay structure - bargaining unit employees	-	2.75%
Mayor & Council wages increase based on Ordinance 156	-	5.2%
Health insurance - bargaining unit - estimated	-	10.0%
Health insurance - non-bargaining unit - per renewal information from insurer	-	21.0%
PERA contribution rates - no change in rate	-	0.0%
Social security & medicare - no change in rate	-	0.0%
Workers Compensation - League range 3-6% increase	-	6.0%
Wage allocations		
Administrator - 20% to Planning	-	20.00%
Public Works Director - 201 Sewer Systems	-	12.50%
Public Works Director - Uptown Sewer System	-	4.00%
Wage allocation estimates		
Public Works staff - Parks Maintenance	-	7.50%
Public Works staff - Community Building Maintenance	-	3.50%
Public Works staff - Uptown Sewer System	-	3.00%
Public Works staff - 201 Sewer Systems	-	5.50%
PT Parks - Park Improvement fund for lighted ballfield maintenance	-	20.00%

CONTRACTUAL SERVICES

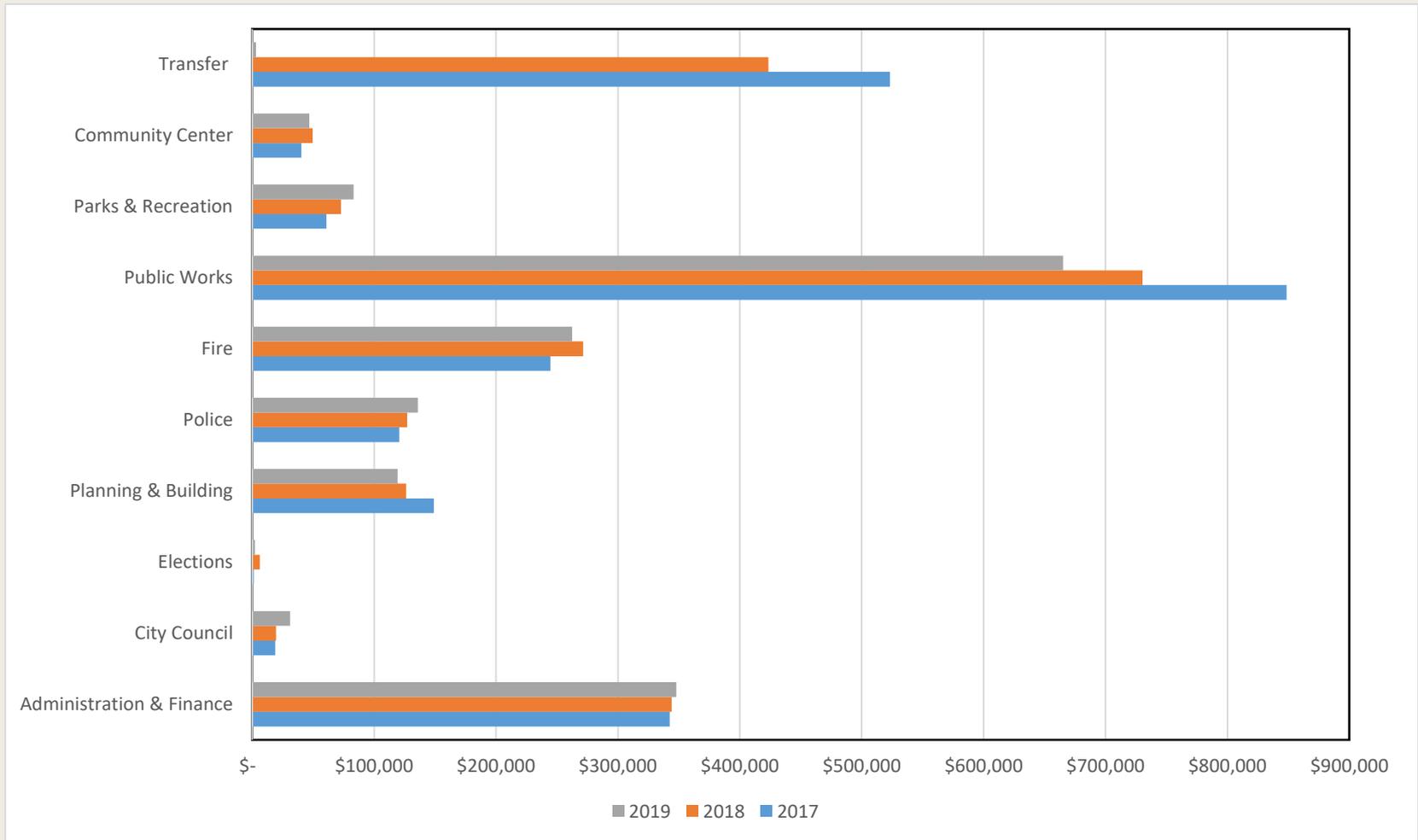
League of Minnesota Cities dues increase	-	0.0%
Property insurance - League range 2 - 3% increase	-	4.0%
Liability Insurance - League 2-6% increase	-	4.0%
Auto damage & liability - League range 3 - 5% increase	-	4.0%
Xcel - electricity -	-	2.0%
Contract with Sheriff Department - estimated increase	-	6.9%
Building Permit fees - 45% of Building permit revenues		

REVENUES

Building permits - \$165,000 less than 2018 projected, \$254,000 less than 2017 actual	-	0.0%
2017 & 2018 impacts by Storm events, construction of community solar, and school		

SIGNIFICANT CHANGES FROM 2018 BUDGET				
		2018	2019	CHANGE
REVENUE				
No cable franchise fees to General Fund	-	\$ 6,000	\$ -	\$ (6,000)
EXPENDITURES				
ADMINISTRATION				
Lakes Area Television - withdraw from joint powers agreement 6/30/2018	-	\$ 5,300	\$ -	\$ (5,300)
No transfer of fund balance to EDA	-	\$ 20,000	\$ -	\$ (20,000)
COUNCIL				
Codify City Ordinances	-	\$ -	\$ 10,000	\$ 10,000
ELECTIONS				
Off year election cycle	-	\$ 6,200	\$ 2,200	\$ (4,000)
PLANNING - COMPREHENSIVE PLAN UPDATE				
Planner - Code changes based on Comprehensive Plan	-	\$ 25,000	\$ 30,000	\$ 5,000
Remainder on comprehensive planning agreement	-	\$ 15,000	\$ 2,000	\$ (13,000)
PUBLIC WORKS				
Allowance for fuel cost increase (2016/2017 actual \$10,809 / \$13,833)	-	\$ 20,000	\$ 26,000	\$ 6,000
Decreased salt usage (2016/2017 actual \$20,368 / \$22,784)	-	\$ 40,000	\$ 32,000	\$ (8,000)
Road Maintenance supplies (2016/2017 actual \$16,561 / \$15,930)	-	\$ 30,000	\$ 25,000	\$ (5,000)
Contractual Road Maintenance & Repair	-	\$ 215,000	\$ 140,000	\$ (75,000)
GROUP HOSPITALIZATION INSURANCE	-	\$ 84,100	\$ 93,200	\$ 9,100

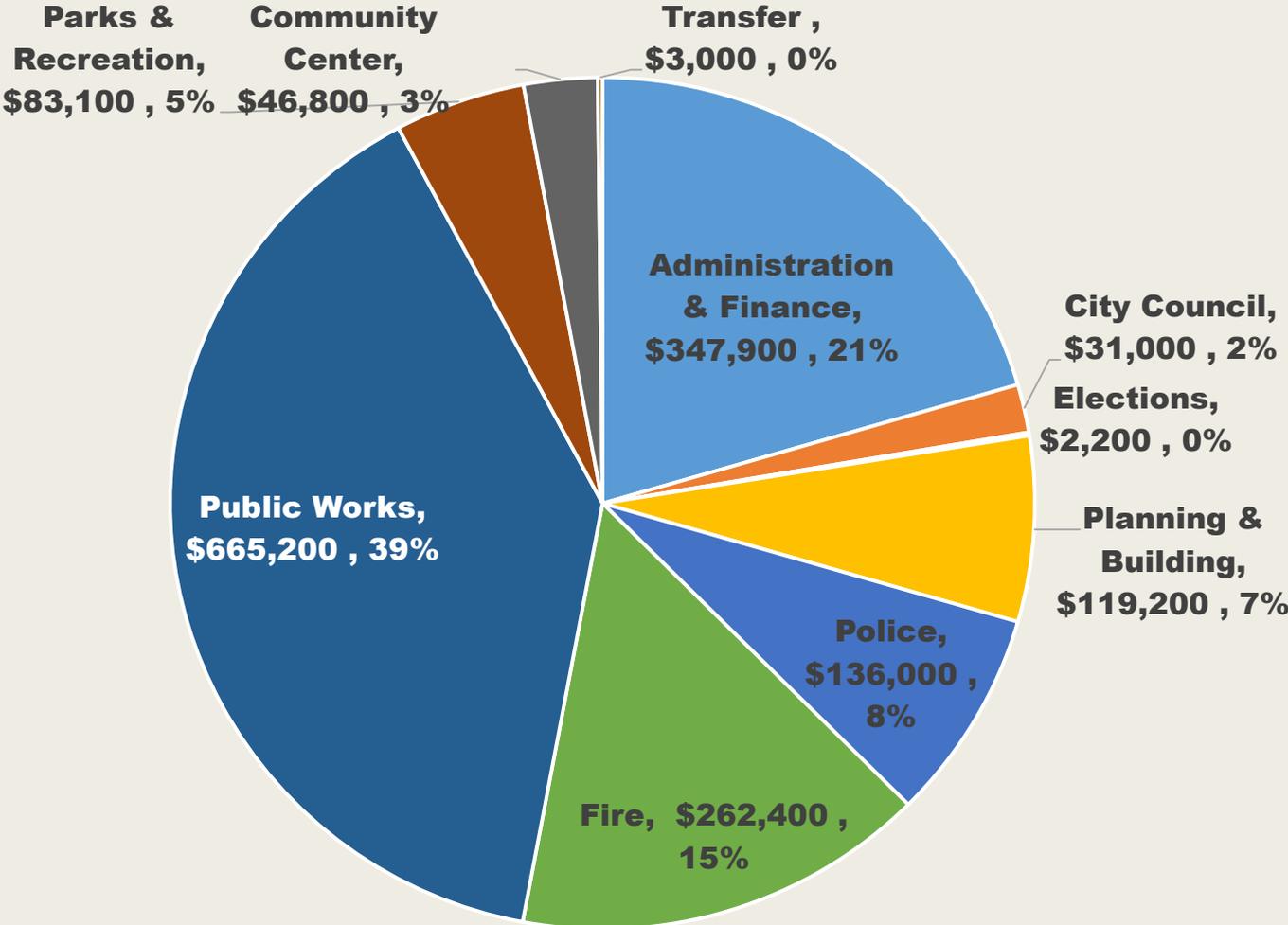
Proposed General Fund Expenditures by Department



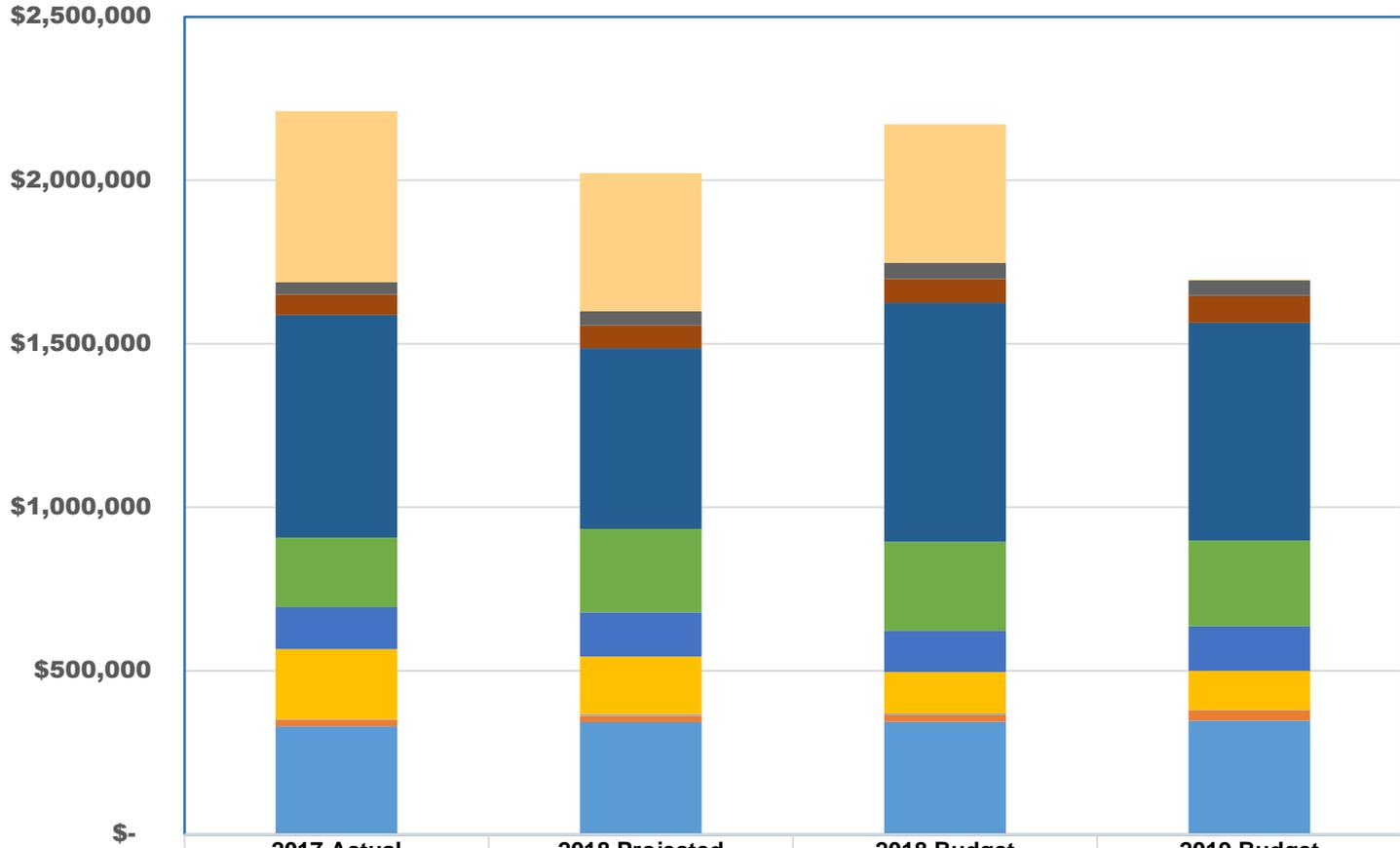
☐ Proposed Spending: \$1,696,800

- After transfer to Capital Fund \$45,800 decrease over 2018 budget
- Budget decrease is primarily attributable to:
 - Decrease in transfer to Capital Funds - \$400,000
 - Decrease in Public Works contractual services - \$59,100

Proposed General Fund Spending, by Department

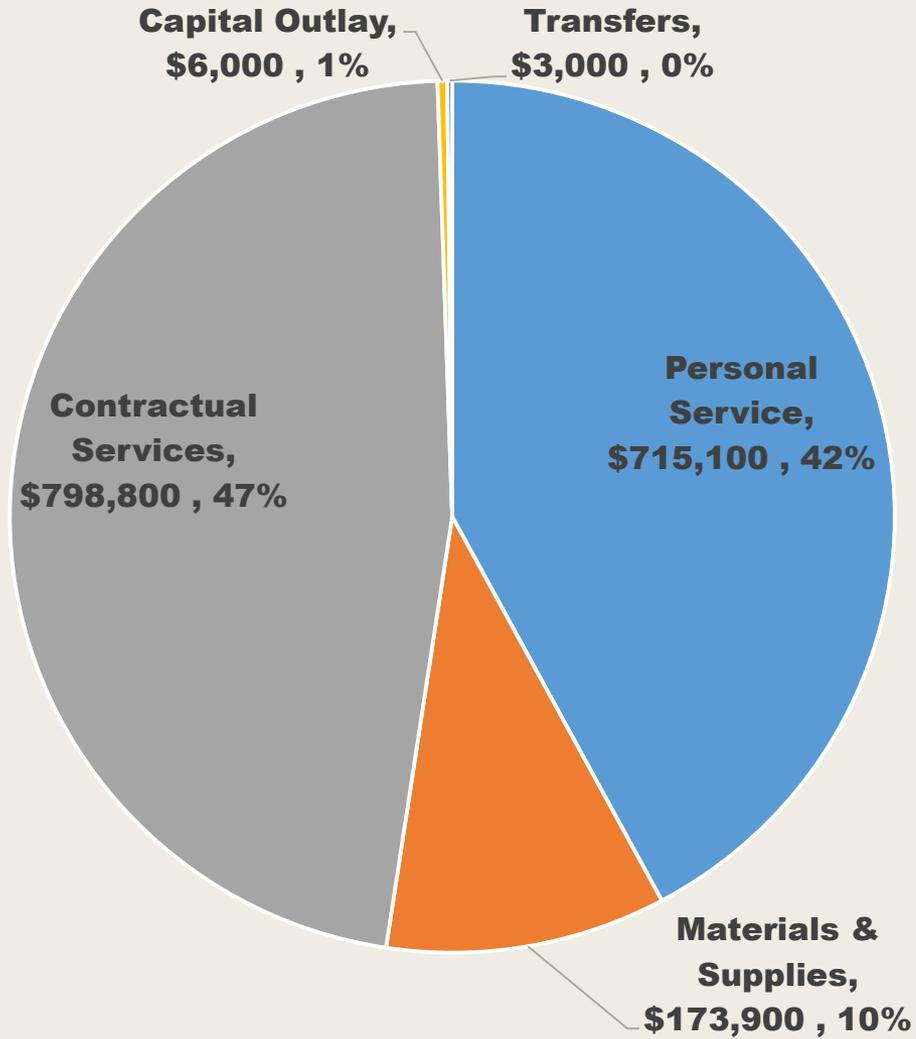


General Fund Expenditures by Department

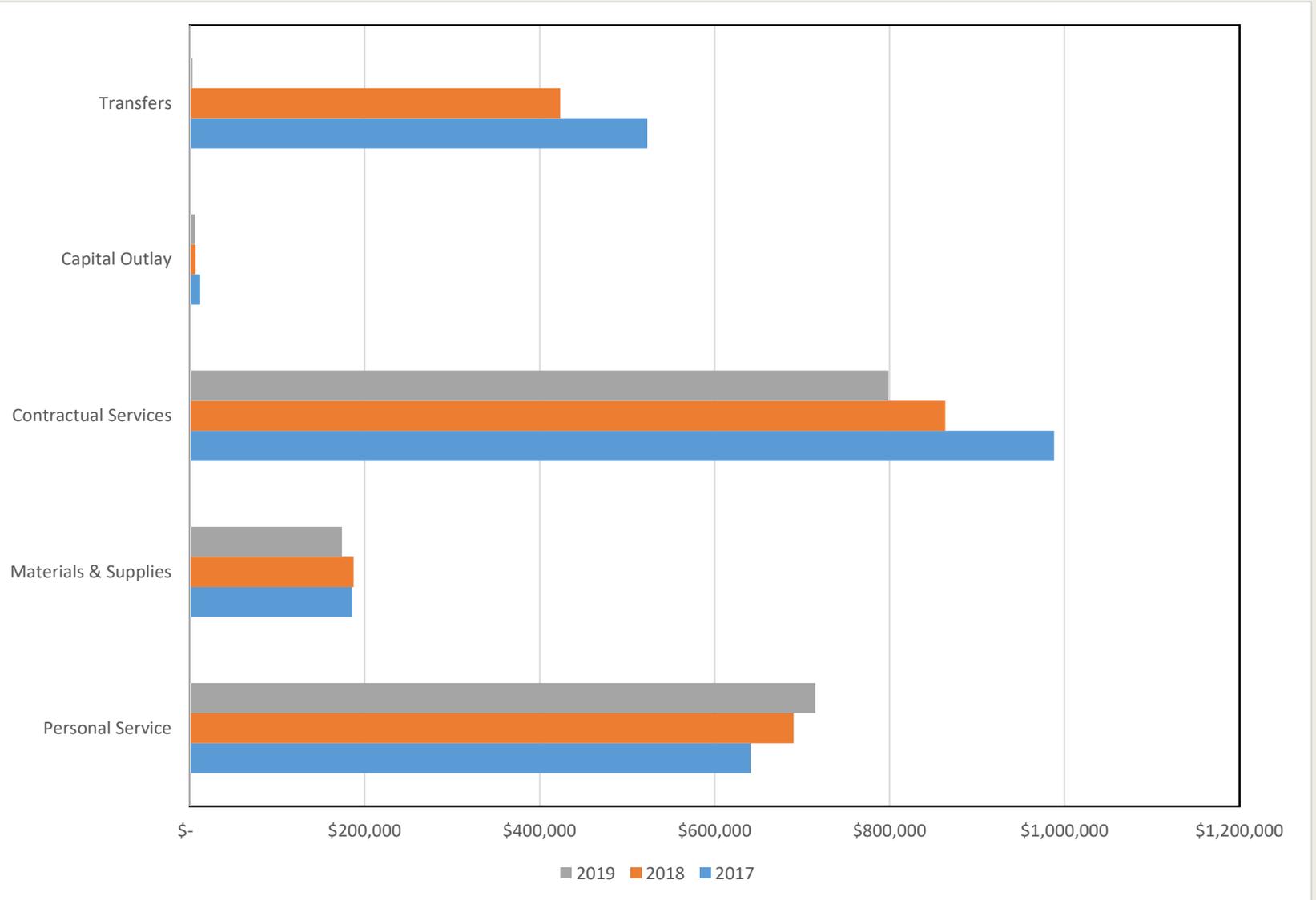


	2017 Actual	2018 Projected	2018 Budget	2019 Budget
Transfer	\$523,200	\$422,500	\$423,500	\$3,000
Community Center	\$36,380	\$43,406	\$49,600	\$46,800
Parks & Recreation	\$63,411	\$69,207	\$72,800	\$83,100
Public Works	\$679,904	\$552,165	\$730,500	\$665,200
Fire	\$213,208	\$255,659	\$271,500	\$262,400
Police	\$128,656	\$135,309	\$127,200	\$136,000
Planning & Building	\$213,887	\$175,600	\$126,300	\$119,200
Elections	\$1,765	\$5,700	\$6,200	\$2,200
City Council	\$19,291	\$19,500	\$19,500	\$31,000
Administration & Finance	\$331,274	\$342,699	\$344,000	\$347,900

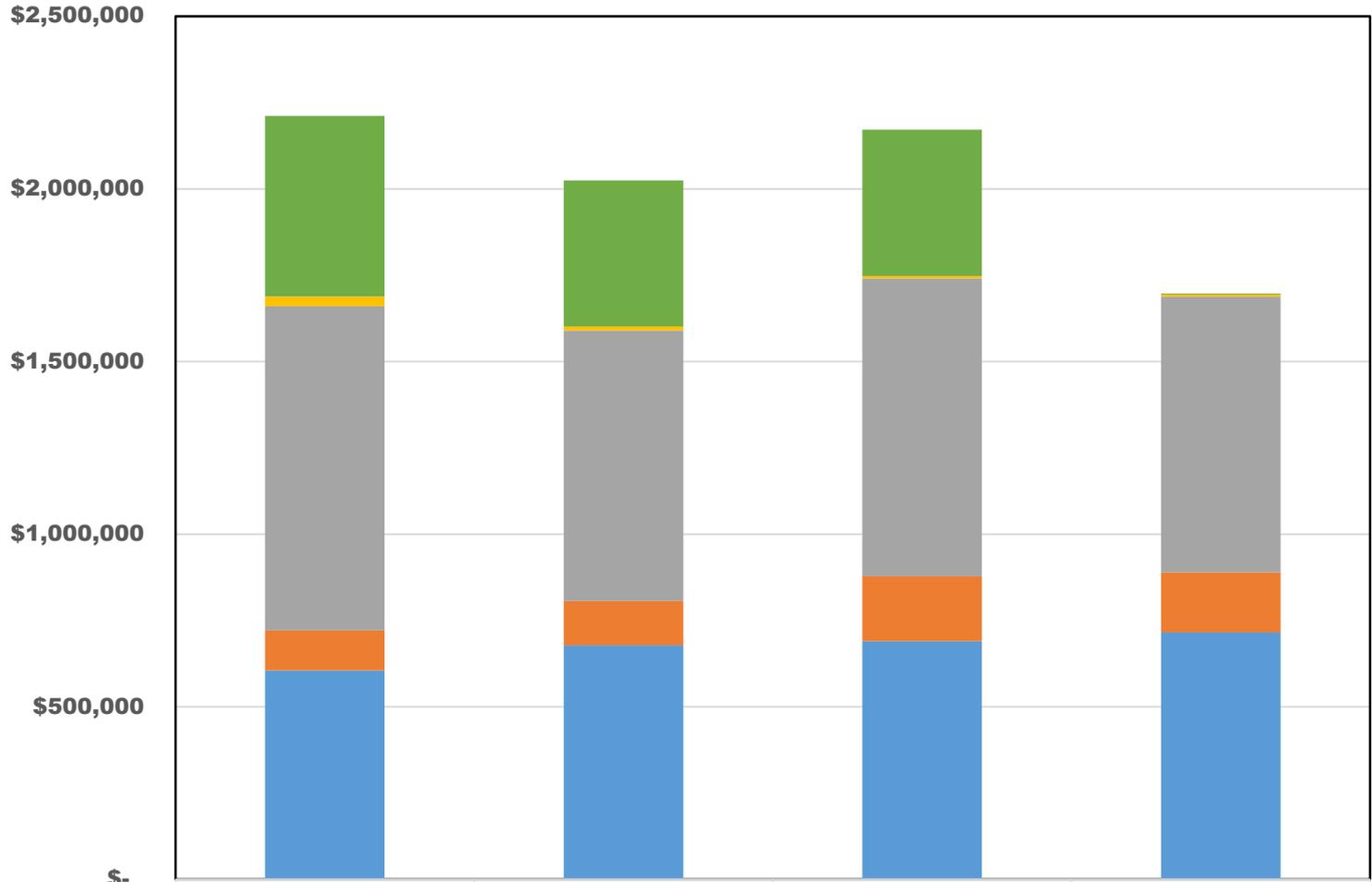
General Fund Budget by Category



General Fund Expenditures by Category



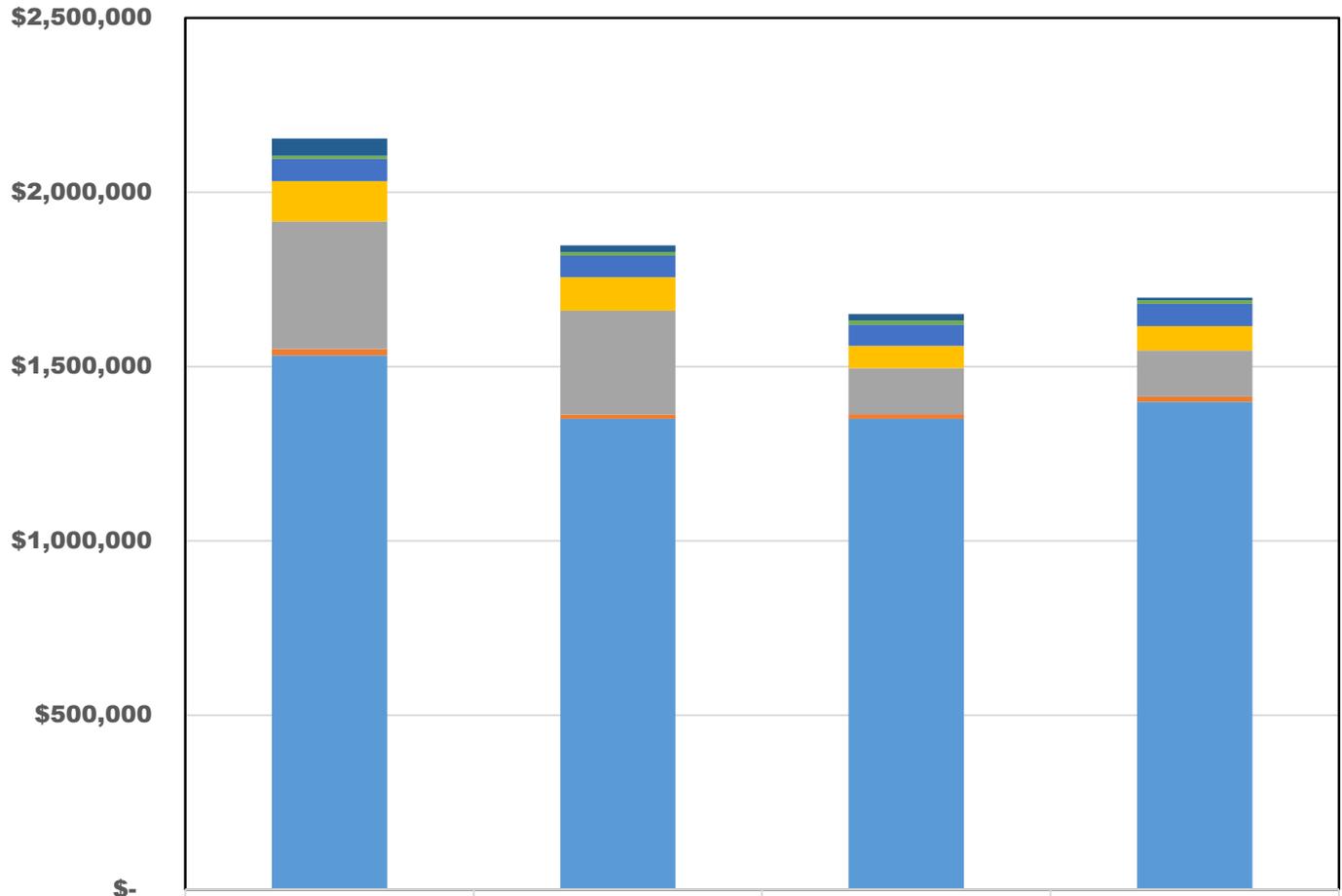
General Fund Expenditures by Category



■ Transfers	\$523,200	\$422,500	\$423,500	\$3,000
■ Capital Outlay	\$27,666	\$11,944	\$6,500	\$6,000
■ Contractual Services	\$938,605	\$783,471	\$863,600	\$798,800
■ Materials & Supplies	\$116,452	\$128,475	\$187,200	\$173,900
■ Personal Service	\$605,052	\$677,855	\$690,300	\$715,100

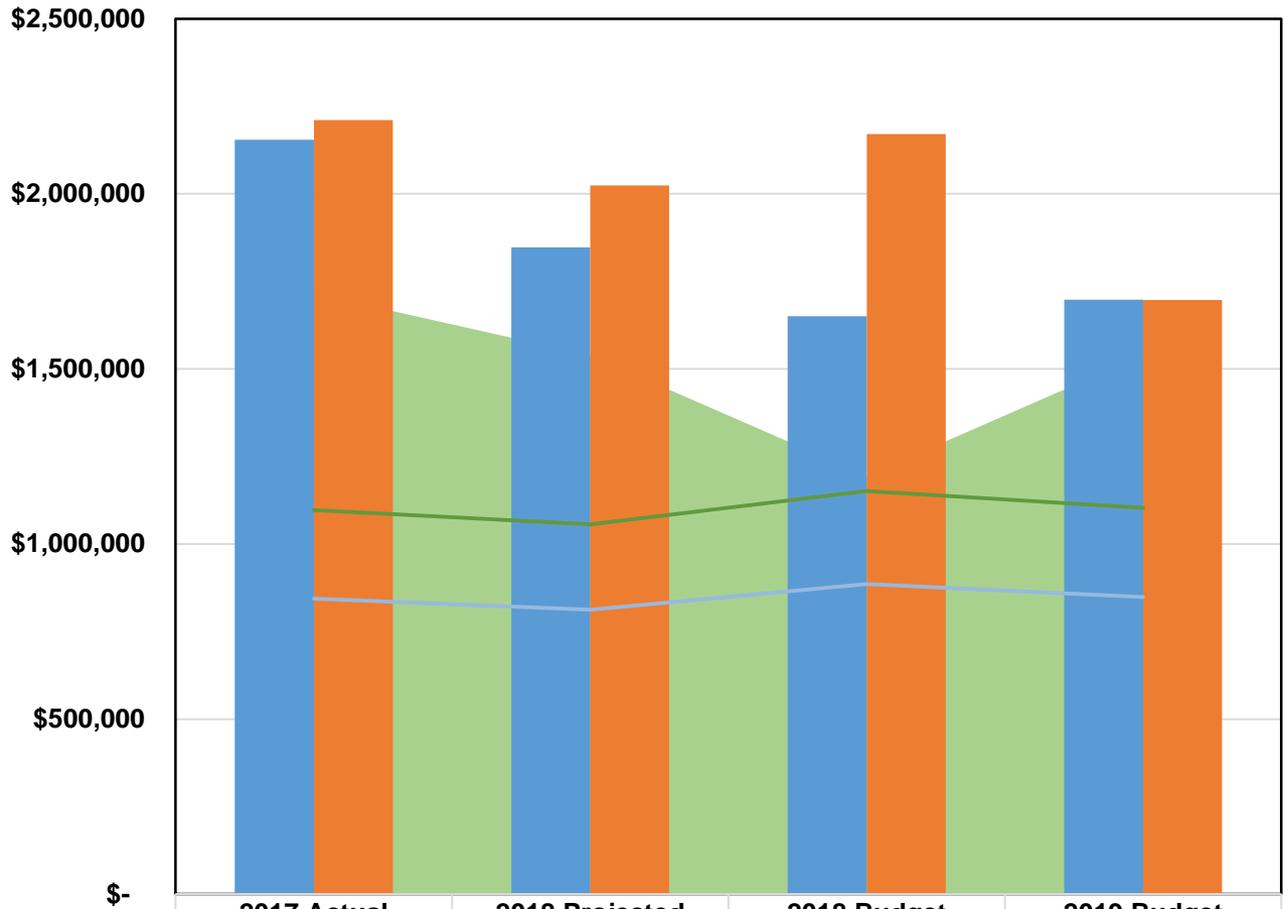
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GENERAL FUND REVENUE SUMMARY



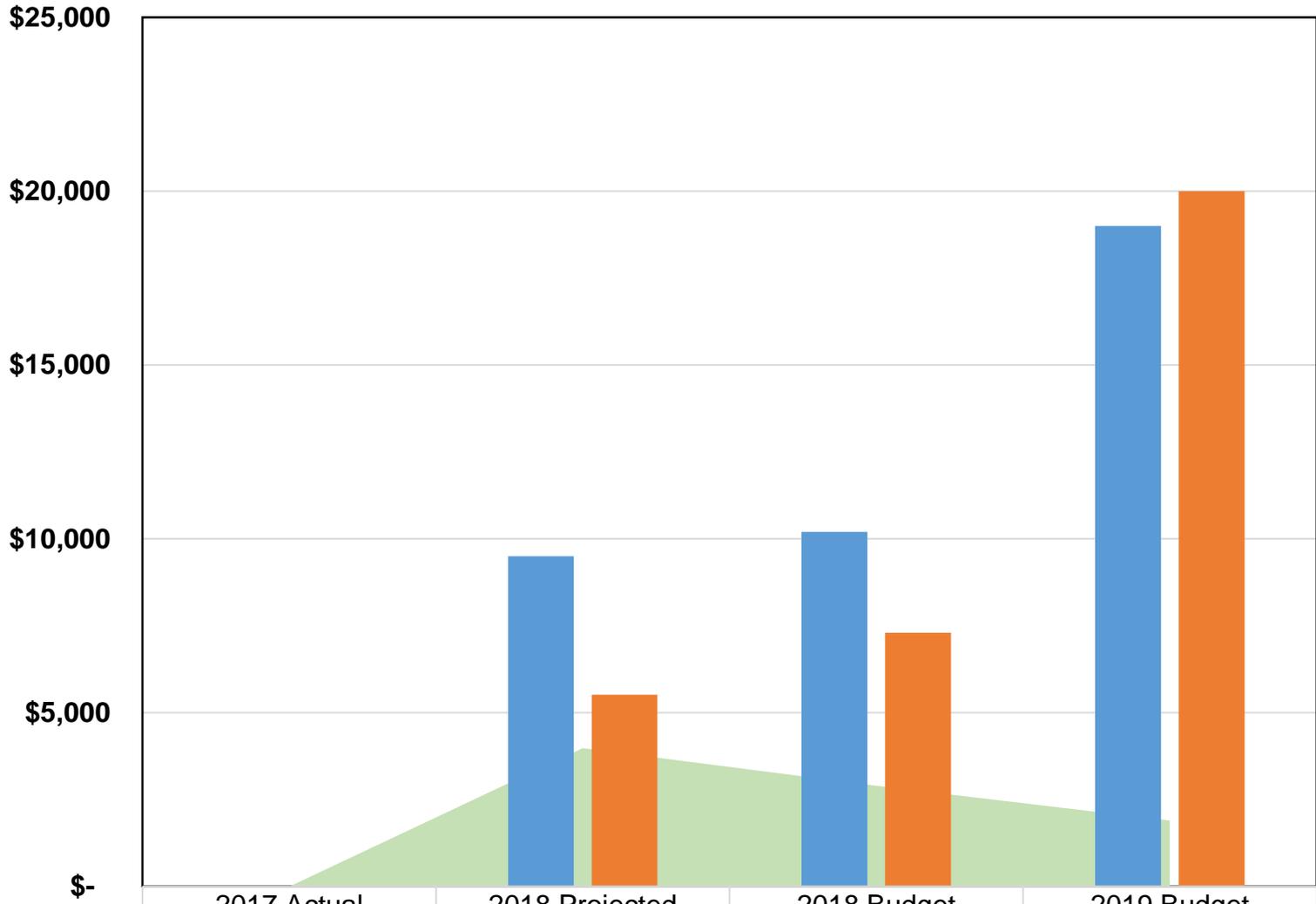
	2017 Actual	2018 Projected	2018 Budget	2019 Budget
Other Income and Transfers in	\$49,637	\$19,803	\$18,000	\$8,000
Fines & Forfeitures	\$8,415	\$10,000	\$12,000	\$10,000
Charges for Service	\$63,915	\$61,441	\$60,900	\$63,200
Intergovernmental Services	\$115,107	\$96,023	\$63,800	\$70,200
Licenses and permits	\$366,902	\$297,645	\$132,600	\$132,600
Other Taxes	\$18,431	\$12,906	\$13,200	\$15,000
Property Taxes	\$1,531,749	\$1,349,820	\$1,349,820	\$1,398,600

General Fund Summary



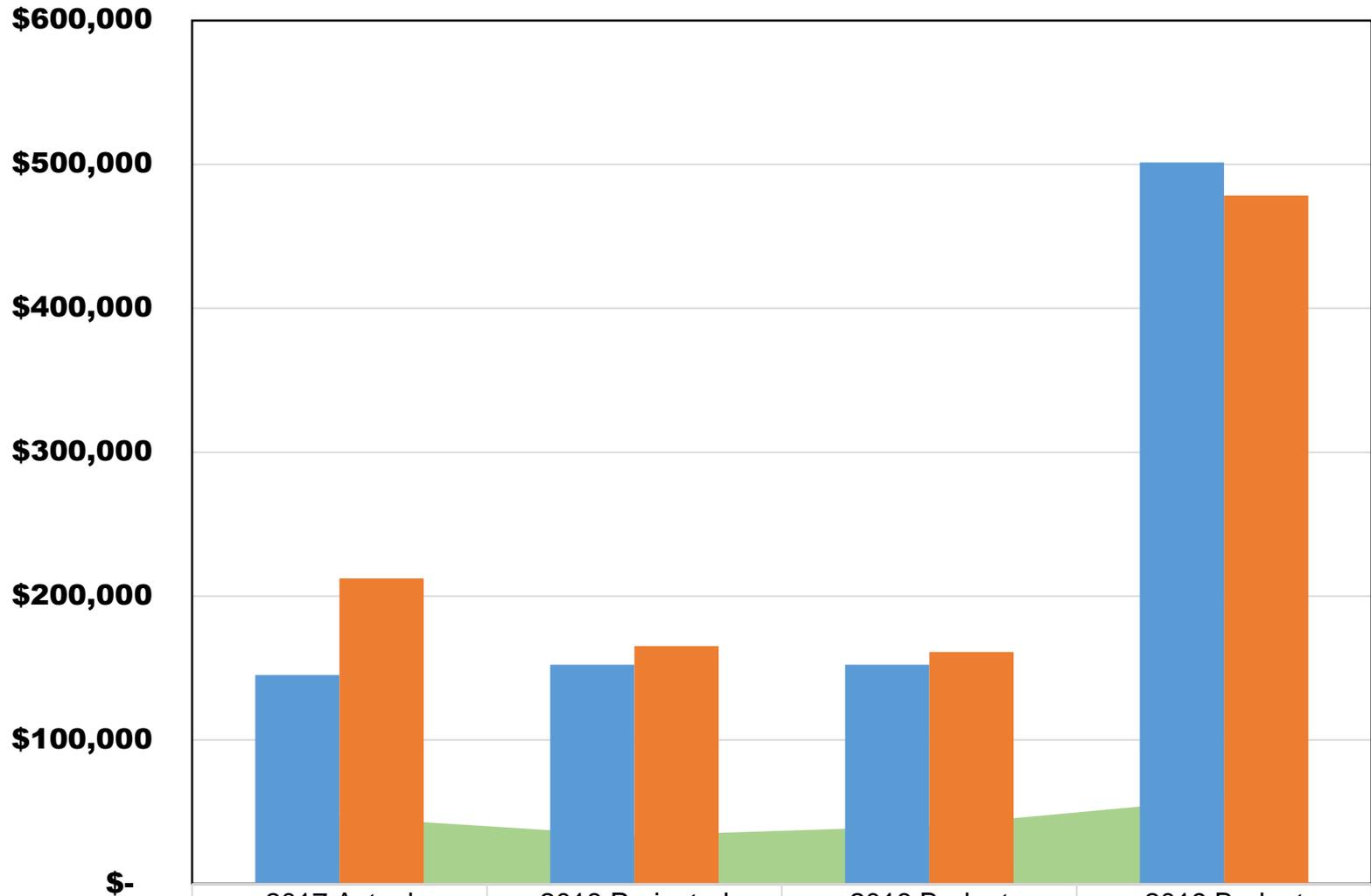
	2017 Actual	2018 Projected	2018 Budget	2019 Budget
Fund balance - 12/31	\$1,715,456	\$1,538,849	\$1,194,676	\$1,539,649
Revenue	\$2,154,157	\$1,847,638	\$1,650,320	\$1,697,600
Expenditures	\$2,210,975	\$2,024,245	\$2,171,100	\$1,696,800
Target Fund balance - 65% of net expenditures	\$1,097,054	\$1,055,759	\$1,151,215	\$1,102,920
Target Fund balance - 50% of net expenditures	\$843,888	\$812,122	\$885,550	\$848,400

CABLE FRANCHISE FUND



	2017 Actual	2018 Projected	2018 Budget	2019 Budget
Fund Balance	\$-	\$3,981	\$2,900	\$1,900
Revenue	\$-	\$9,500	\$10,200	\$19,000
Expenditures	\$-	\$5,519	\$7,300	\$20,000

DEBT SERVICE FUND SUMMARY



■	Fund Balance
■	Revenue
■	Expenditures

	2017 Actual	2018 Projected	2018 Budget	2019 Budget
Fund Balance	\$46,608	\$33,574	\$40,218	\$59,149
Revenue	\$145,205	\$152,249	\$152,202	\$501,350
Expenditures	\$212,218	\$165,283	\$161,092	\$478,476

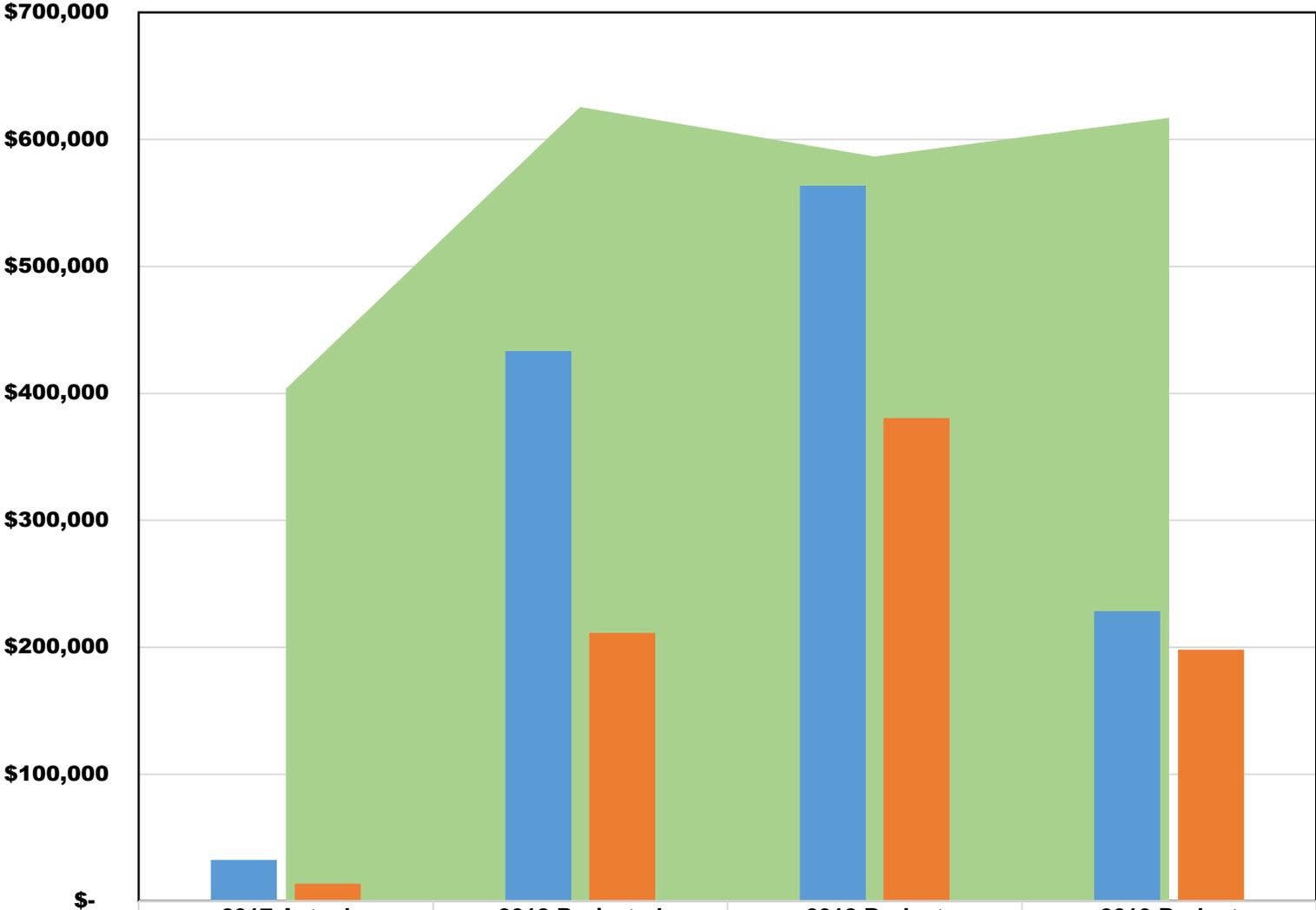
Capital Funds

- ❖ General Capital Fund**
- ❖ Park Improvement Fund**
- ❖ Equipment Replacement Fund**
- ❖ Local Road Improvement Fund**

CAPITAL FUNDS CHANGES FROM 2018 - 2022 CAPITAL IMPROVEMENT PLAN

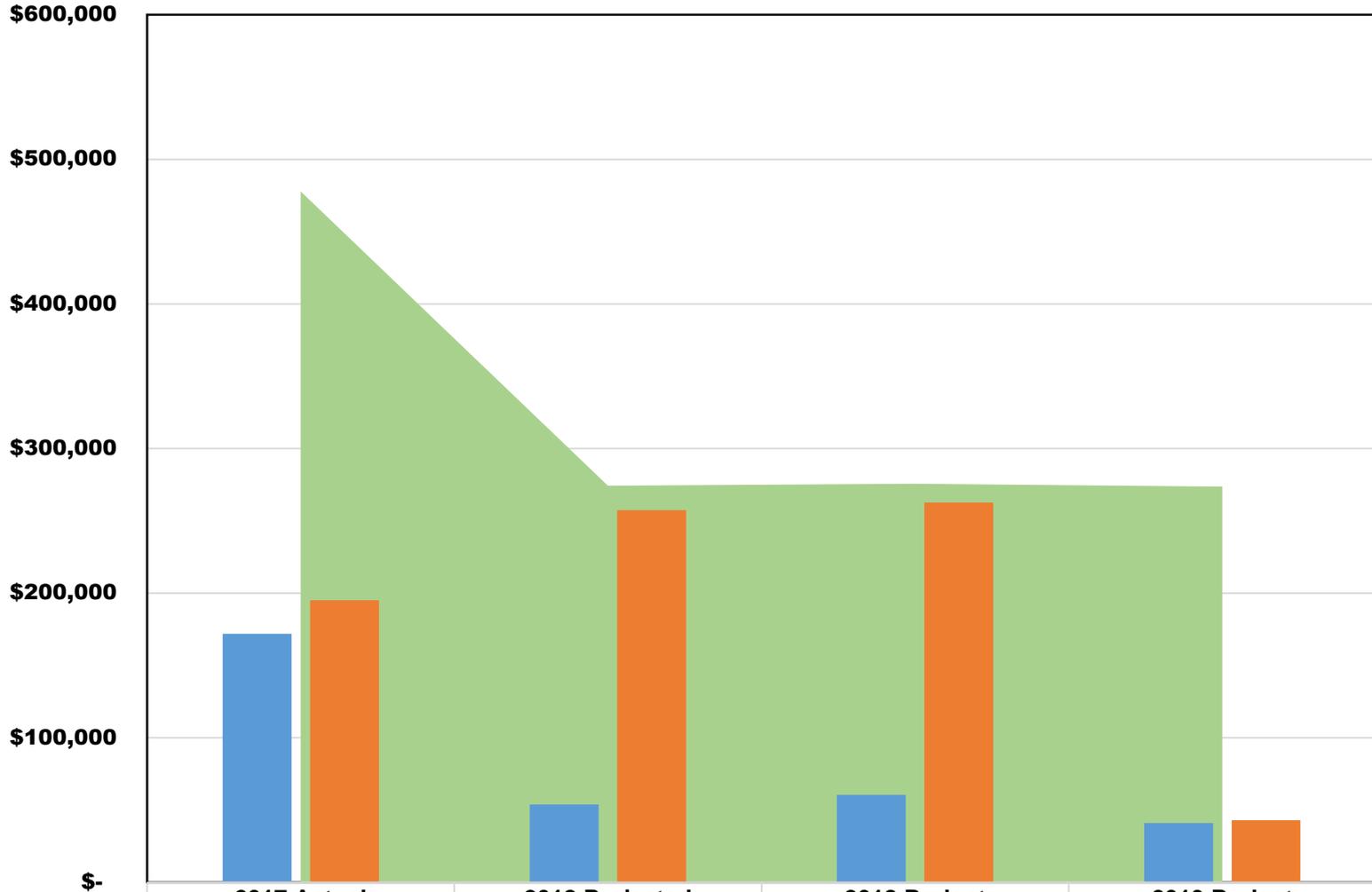
		2018	2019	CHANGE
CAPITAL IMPROVEMENT FUND				
Bliss Addition Stormwater Plan - 100% of cost to be partially offset by Watershed District	-	\$ -	\$ 30,000	\$ 30,000
Fire Department - LED lighting - would be offset by savings in the General Fund	-	\$ -	\$ 30,000	\$ 30,000
PARK CAPITAL IMPROVEMENT FUND				
Lilleskogen - wetland restoration	-	\$ -	\$ 10,000	\$ 10,000
Concrete slabs under bleachers	-	\$ -	\$ 10,000	\$ 10,000
Path from t-ball field to community building / pleasure rink expansion	-	\$ -	\$ 10,000	\$ 10,000
Clearing and trails at nature parks (Bone Lake, Big Marine School site, Orwell Court)	-	\$ -	\$ 10,000	\$ 10,000
Settlers monument improvements	-	\$ -	\$ 5,000	\$ 5,000
Doors for pavilion and water source at Lions Park	-	\$ -	\$ 15,000	\$ 15,000
LOCAL ROAD IMPROVEMENT FUND				
Engineering for 2020 Road Improvement projects	-	\$ -	\$ 50,000	\$ 50,000

CAPITAL IMPROVEMENT FUND



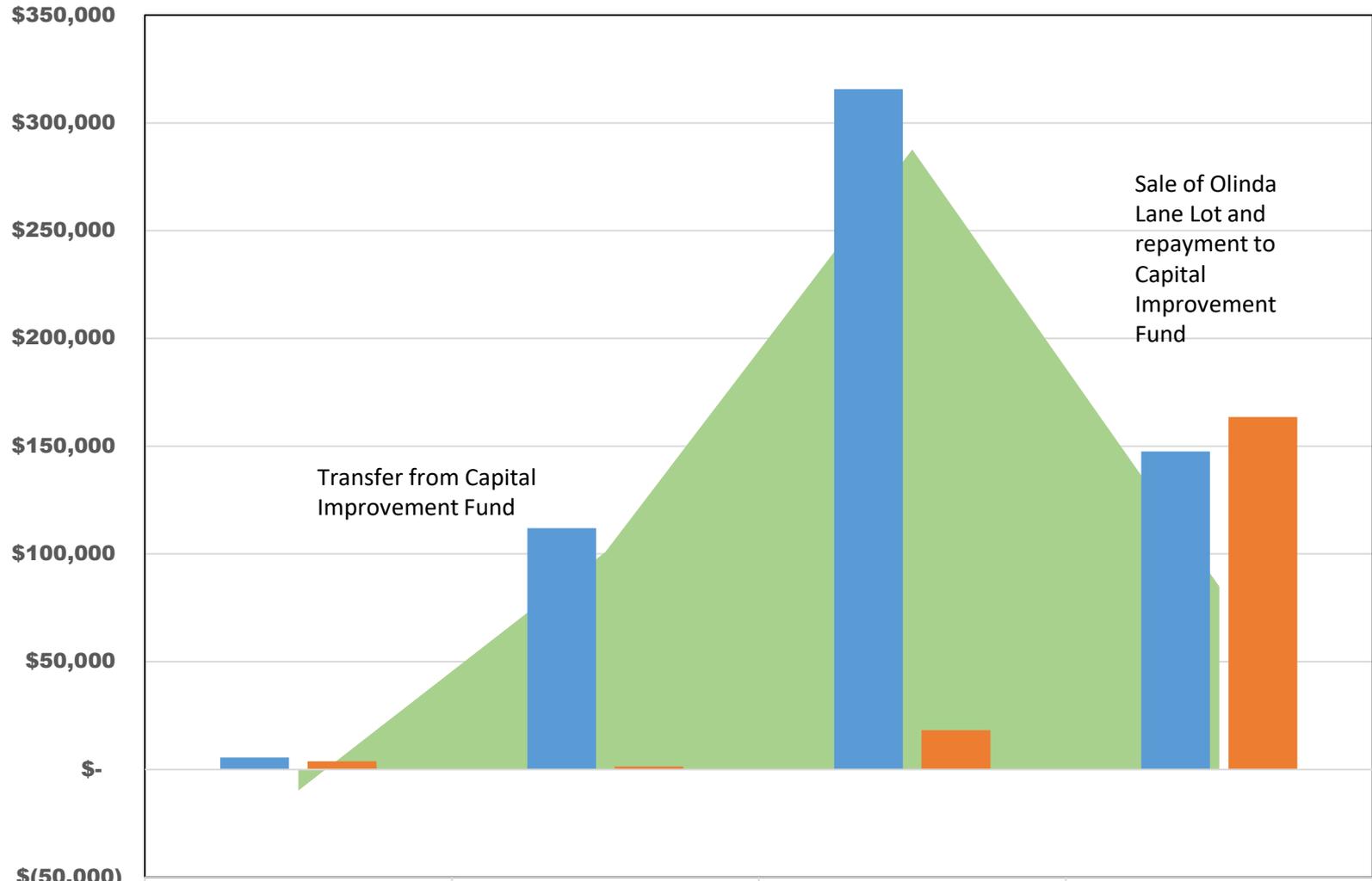
	2017 Actual	2018 Projected	2018 Budget	2019 Budget
Fund Balance	\$403,602	\$625,585	\$586,552	\$617,052
Revenue	\$32,412	\$433,288	\$563,600	\$228,500
Expenditures	\$13,642	\$211,305	\$380,650	\$198,000

EQUIPMENT REPLACEMENT FUND



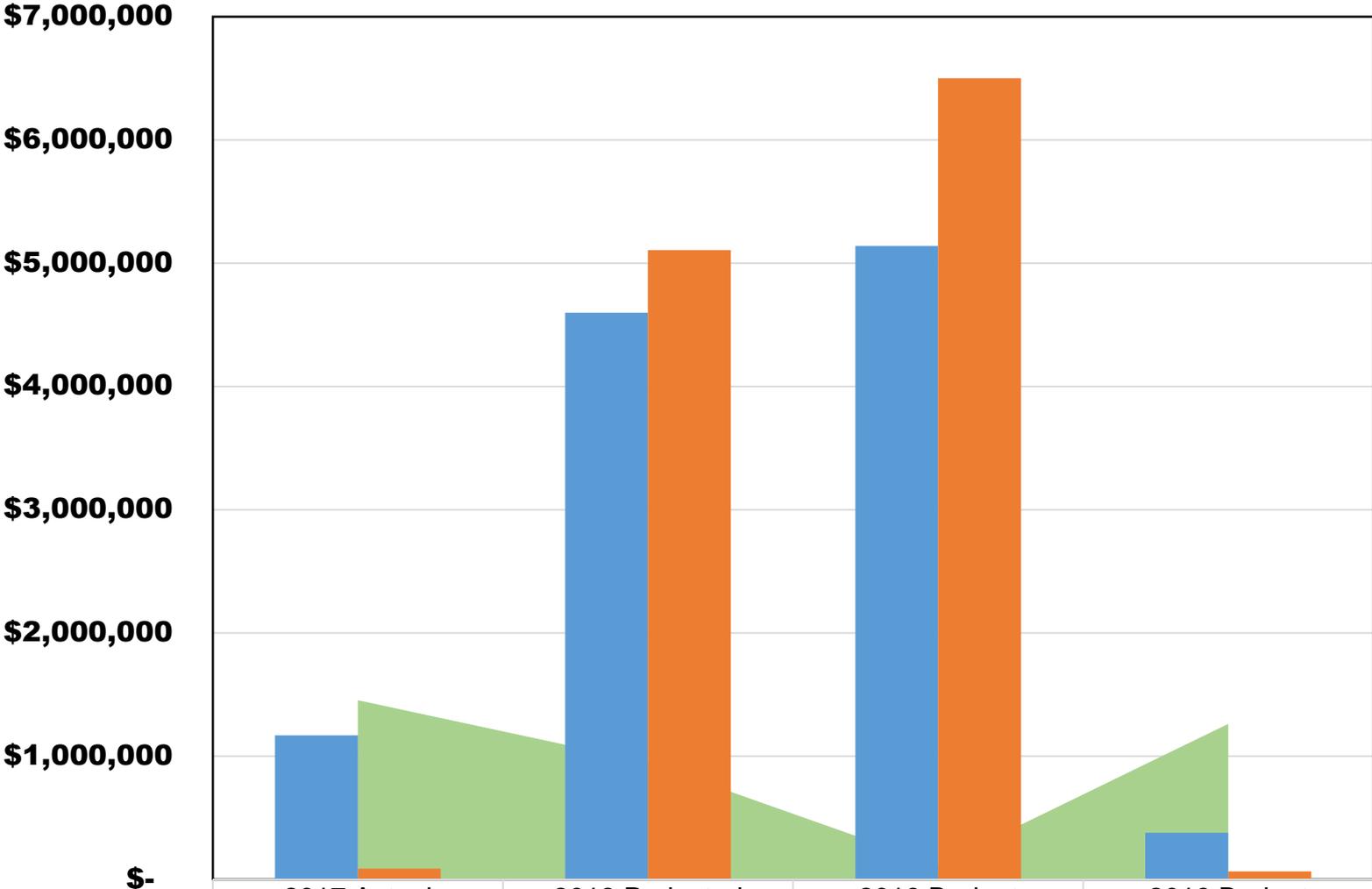
■ Fund Balance	\$477,802	\$274,315	\$275,662	\$273,662
■ Revenue	\$171,834	\$53,990	\$60,540	\$41,000
■ Expenditures	\$195,093	\$257,477	\$262,680	\$43,000

PARK CAPITAL FUND



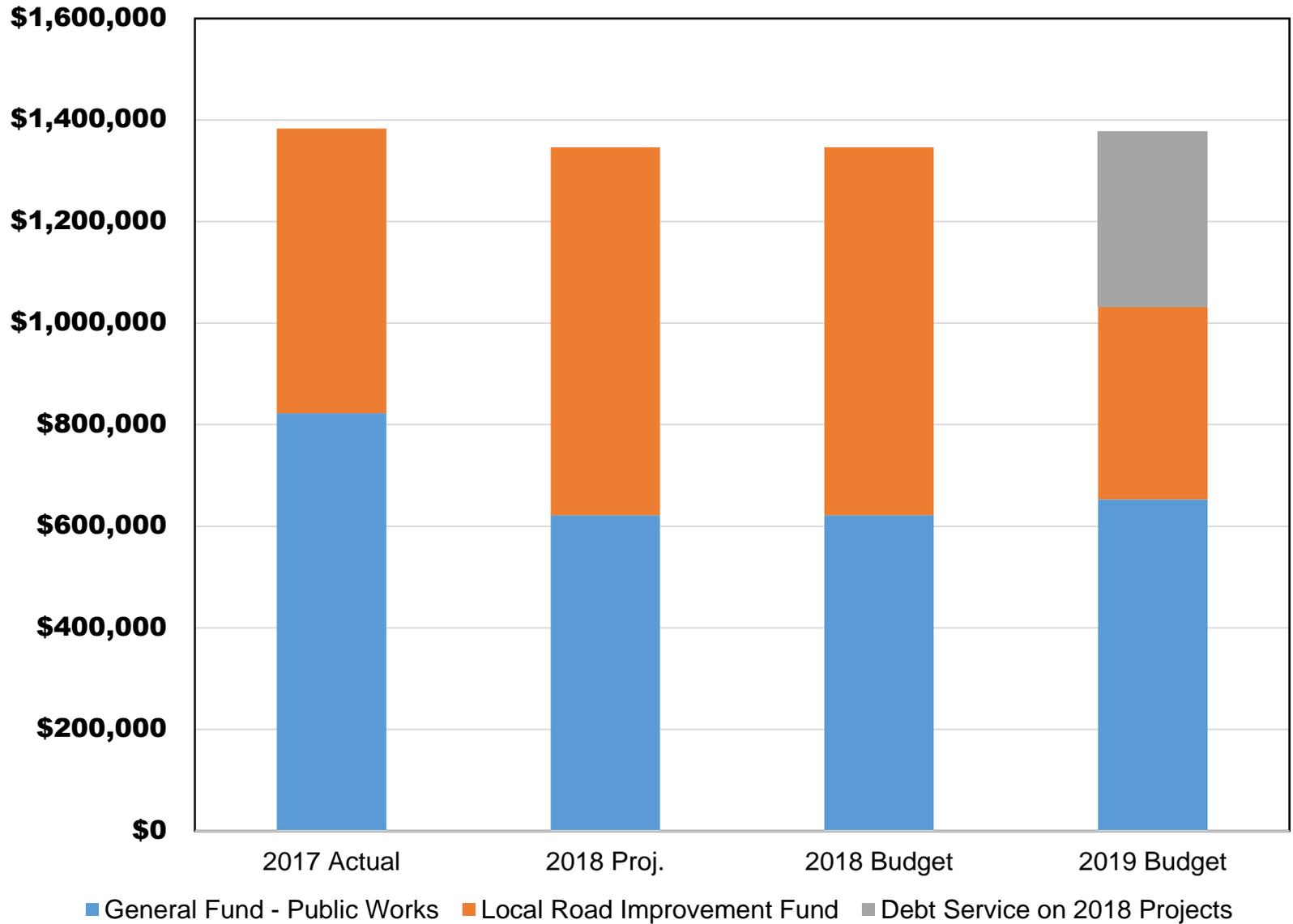
	2017 Actual	2018 Projected	2018 Budget	2019 Budget
■ Fund Balance	\$(9,745)	\$100,763	\$287,735	\$84,843
■ Revenue	\$5,582	\$111,919	\$315,700	\$147,600
■ Expenditures	\$3,768	\$1,411	\$18,220	\$163,520

LOCAL ROAD IMPROVEMENT FUND



	2017 Actual	2018 Projected	2018 Budget	2019 Budget
■ Fund Balance	\$1,455,036	\$949,007	\$117,603	\$1,262,937
■ Revenue	\$1,169,768	\$4,598,971	\$5,139,750	\$379,930
■ Expenditures	\$88,753	\$5,105,000	\$6,500,000	\$66,000

TAX LEVY FOR PUBLIC WORKS AND ROADS



Enterprise Funds

❖ Uptown Sewer System Fund

❖ 201 Sewer System Fund

UPTOWN SEWER FUND

\$25,000

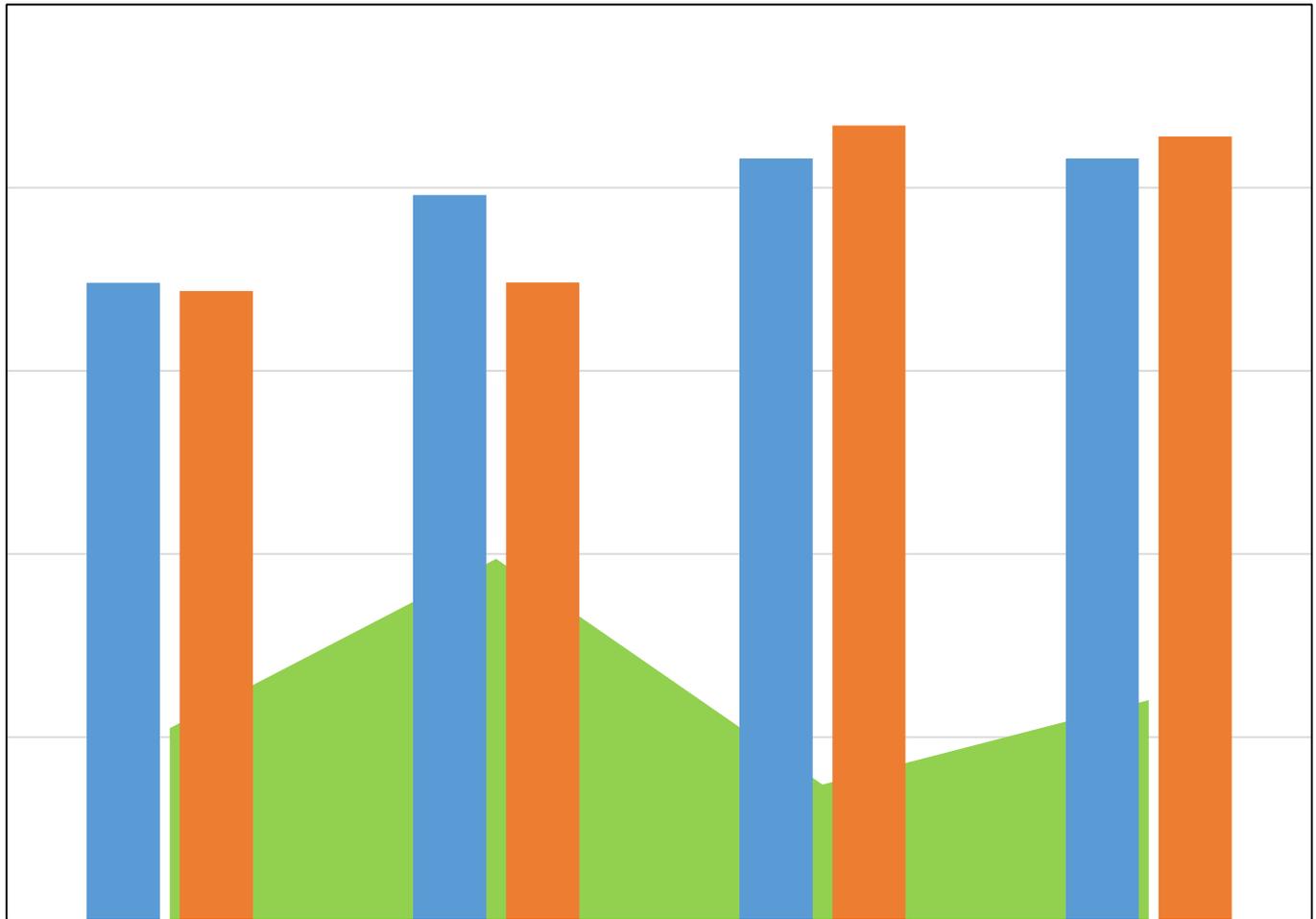
\$20,000

\$15,000

\$10,000

\$5,000

\$-



2017 Actual

2018 Projected

2018 Budget

2019 Budget

■ Cash Balance

\$5,245

\$9,870

\$3,706

\$6,011

■ Revenue

\$17,409

\$19,800

\$20,800

\$20,800

■ Expenditures

\$17,183

\$17,413

\$21,700

\$21,397

201 SEWER FUND

\$250,000

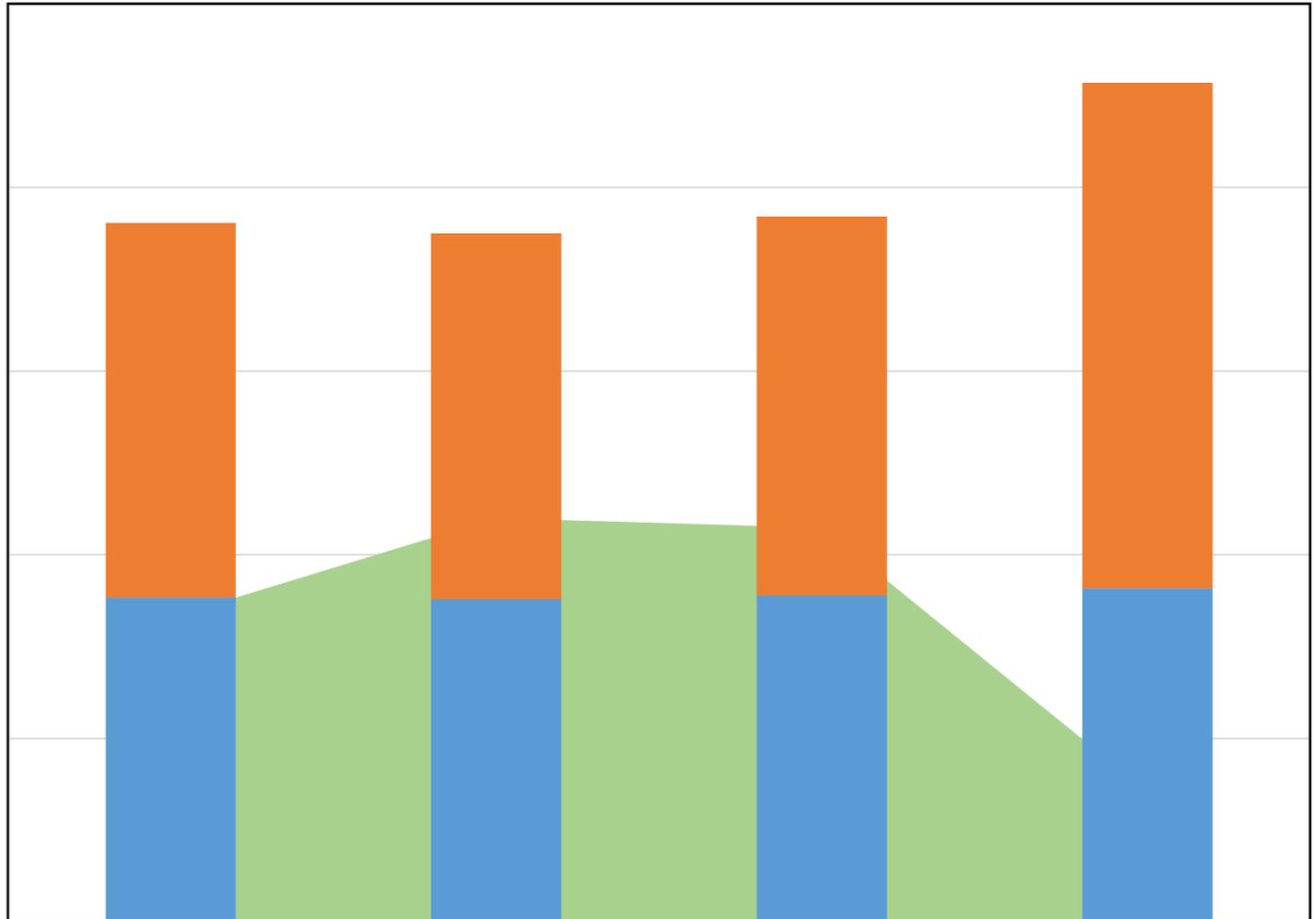
\$200,000

\$150,000

\$100,000

\$50,000

\$-



2017 Actual

2018 Projected

2018 Budget

2019 Budget

Cash Balance

\$82,892

\$109,970

\$107,342

\$35,417

Expenditures

\$101,978

\$99,522

\$103,150

\$137,525

Revenue

\$88,342

\$87,900

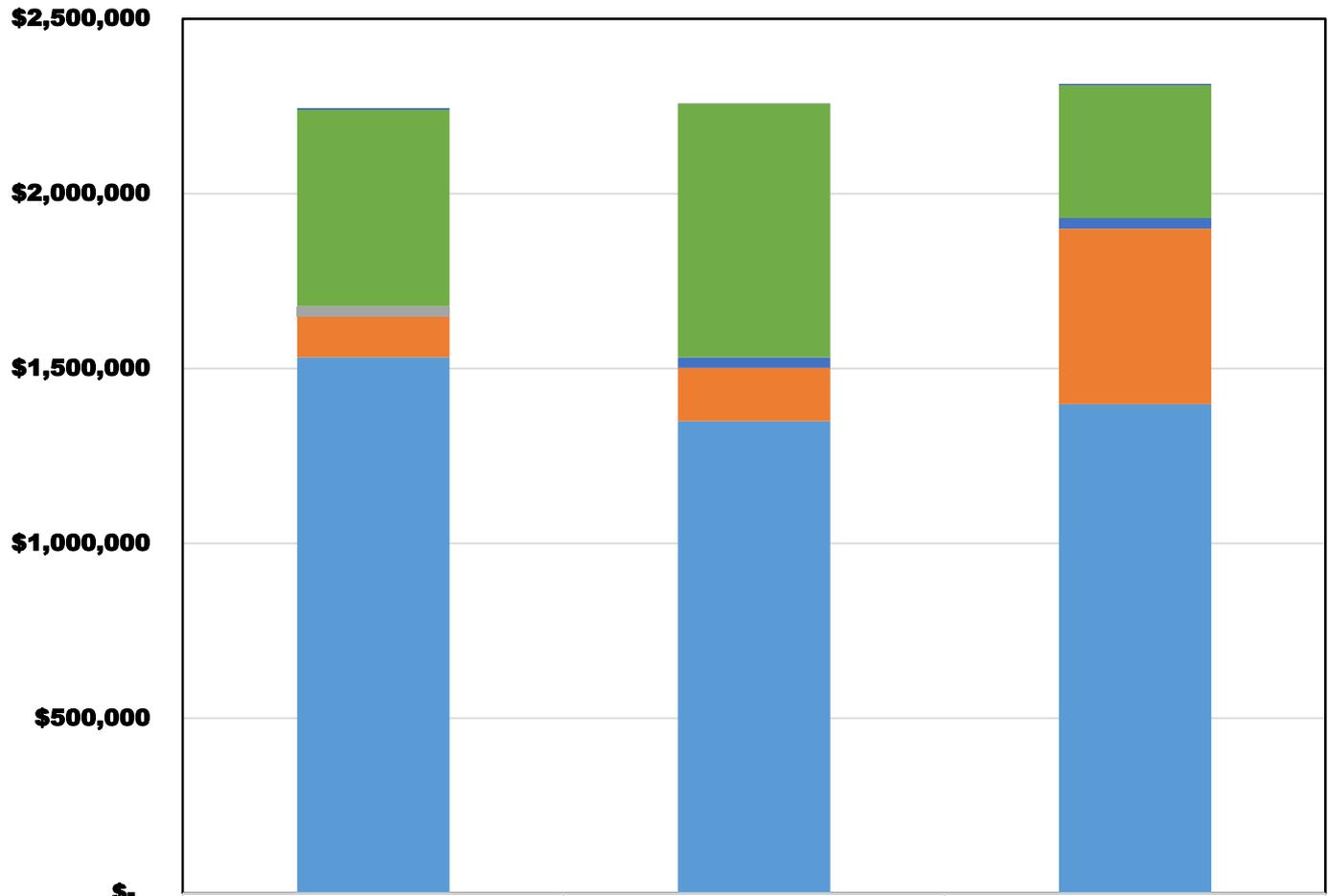
\$88,900

\$90,900



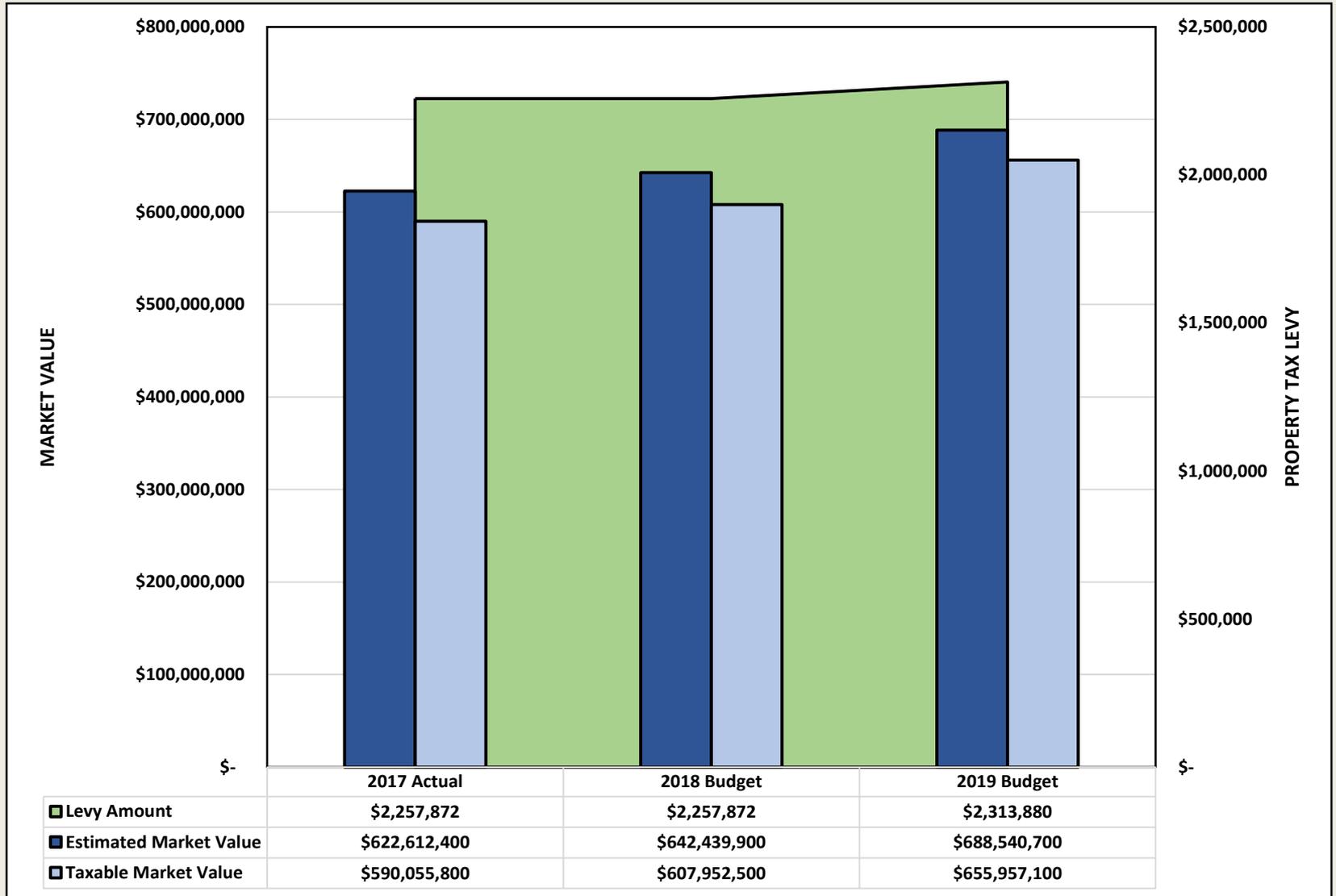
**SCANDIA
PROPERTY TAX
LEVY**

Breakdown of Tax Levy

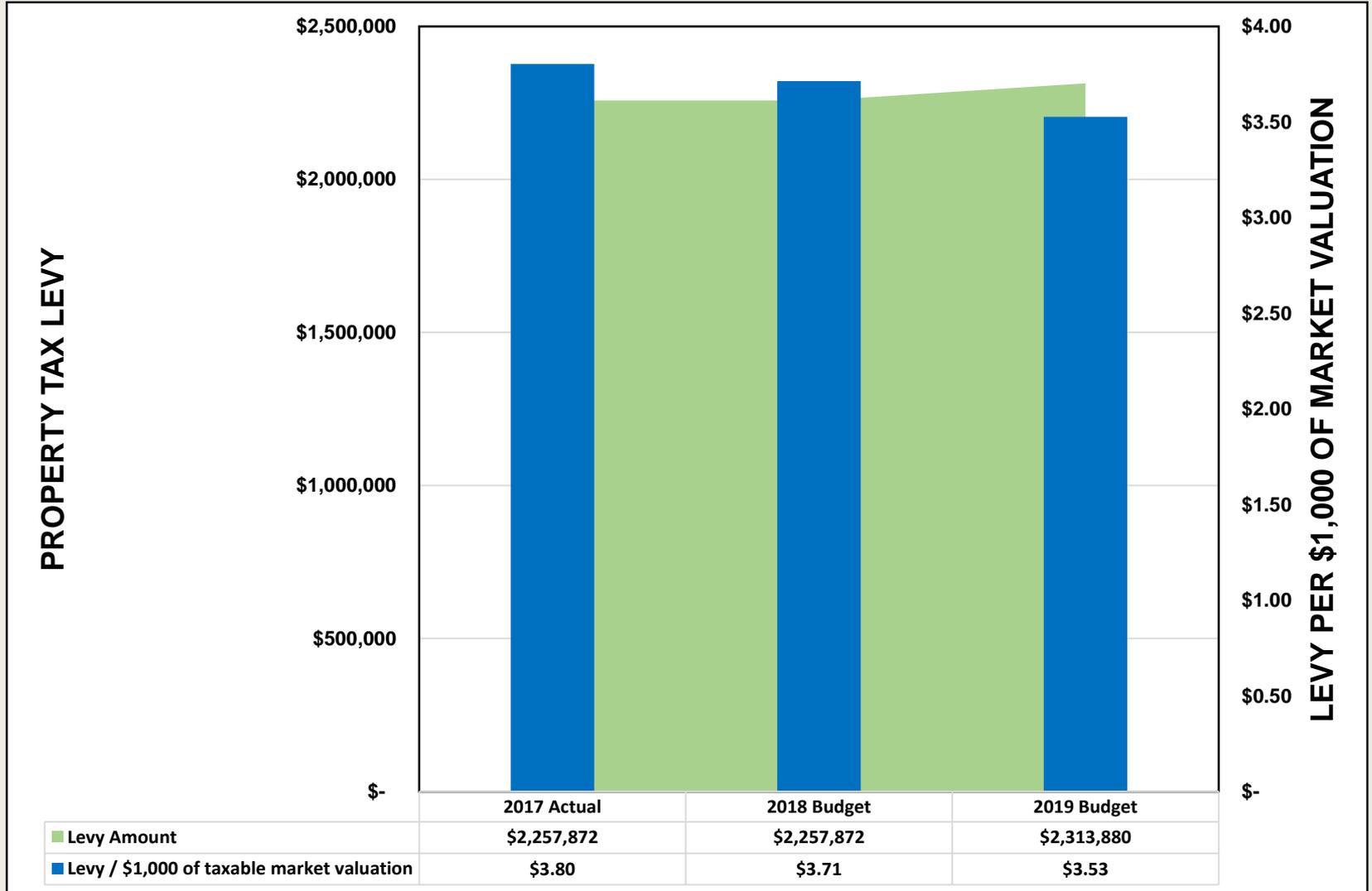


	2017 Actual	2018 Budget	2019 Budget
■ Economic Development Authority	\$5,000	\$800	\$5,000
■ Local Road Improvement	\$560,533	\$725,050	\$378,930
■ Equipment Replacement	\$-	\$30,000	\$30,000
■ Capital Improvement Fund	\$30,000	\$-	\$-
■ Debt Service Fund	\$116,739	\$152,202	\$501,350
■ General Fund	\$1,531,749	\$1,349,820	\$1,398,600

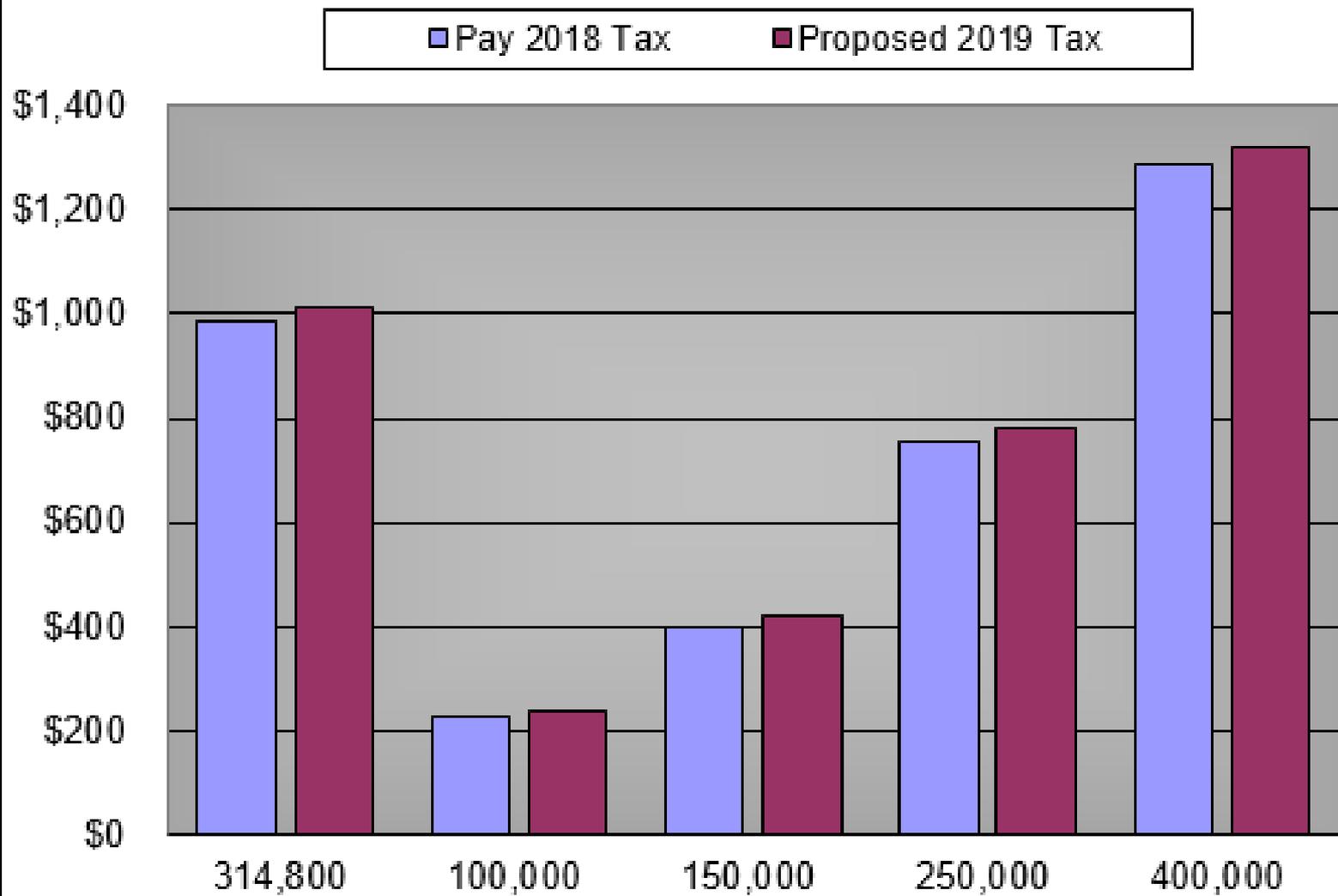
Property Tax Levy



Tax Levy and Levy per \$1,000 of Market Valuation

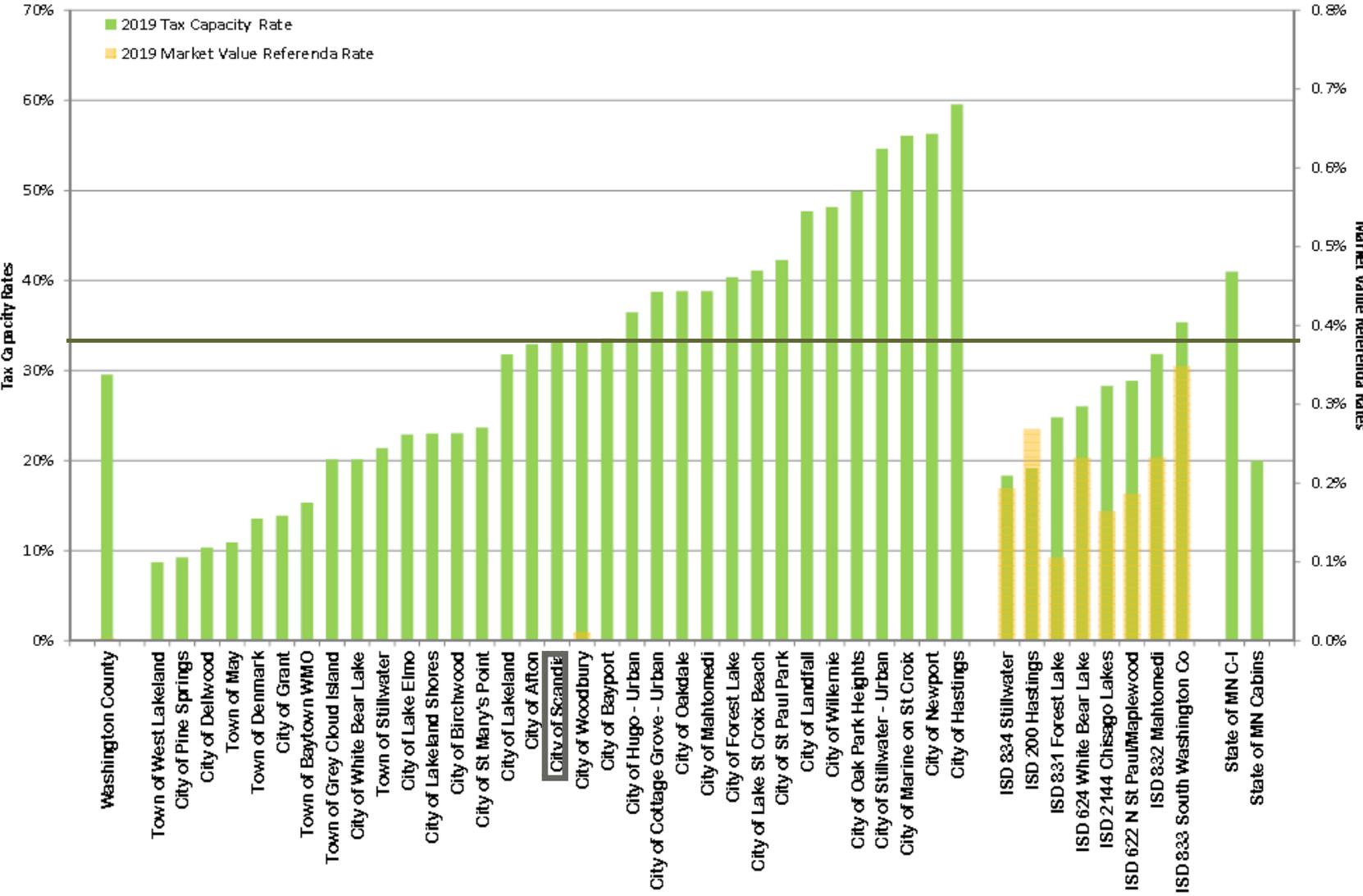


Comparison of Taxing District Portion of Tax Pay 2018 vs. 2019



How Does Scandia Compare?

Proposed 2019 Proposed Tax Rates



Your Proposed Property Tax Bill

- Will also be affected by:
 - ✓ *Valuation changes different than median*
 - ✓ *Classification changes*
 - ✓ *Homestead Market Value Exclusion*
 - ✓ *School district differences, levy referenda*
 - ✓ *Watershed district differences*
 - ✓ *Other taxing districts (Metro Council, Mosquito Control, County HRA, Transit)*

Pay 2018 vs. Proposed 2019 Tax Rates

Taxing District		Pay 2018 Rate	Proposed 2019 Rate	% Chg
Towns:	Town of Baytown WMO	13.729%	15.309%	11.5%
	Town of Denmark	11.063%	13.529%	22.3%
	Town of Grey Cloud Island	21.834%	20.121%	-7.8%
	Town of May	10.832%	10.883%	0.5%
	Town of Stillwater	21.759%	21.377%	-1.8%
	Town of West Lakeland	8.157%	8.684%	6.5%
Cities:	City of Afton	32.255%	32.934%	2.1%
	City of Bayport	36.017%	33.553%	-6.8%
	City of Birchwood	24.904%	23.027%	-7.5%
	City of Cottage Grove - Urban	40.583%	38.753%	-4.5%
	City of Dellwood	14.614%	10.336%	-29.3%
	City of Forest Lake	41.871%	40.344%	-3.6%
	City of Grant	13.907%	13.891%	-0.1%
	City of Hastings	60.964%	59.559%	-2.3%
	City of Hugo - Urban	36.330%	36.477%	0.4%
	City of Lake Elmo	22.442%	22.902%	2.1%
	City of Lake St Croix Beach	47.497%	41.078%	-13.5%
	City of Lakeland	36.540%	31.767%	-13.1%
	City of Lakeland Shores	24.653%	23.010%	-6.7%
	City of Landfall	80.743%	47.679%	-40.9%
	City of Mahtomedi	33.971%	38.818%	14.3%
	City of Marine on St Croix	55.060%	56.051%	1.8%
	City of Newport	58.736%	56.263%	-4.2%
	City of Oak Park Heights	54.462%	49.929%	-8.3%
	City of Oakdale	38.544%	38.809%	0.7%
	City of Pine Springs	8.730%	9.259%	6.1%
	City of Scandia	35.058%	33.111%	-5.6%
	City of St Mary's Point	22.517%	23.666%	5.1%
	City of St Paul Park	42.591%	42.294%	-0.7%
	City of Stillwater - Urban	53.421%	54.629%	2.3%
	City of White Bear Lake	19.058%	20.144%	5.7%
	City of Willemie	49.748%	48.131%	-3.3%
	City of Woodbury	33.670%	33.279%	-1.2%
	City of Woodbury	MVR: 0.01112%	0.00663%	-40.3%

Taxing District		Pay 2018 Rate	Proposed 2019 Rate	% Chg
County:	County without Library	27.290%	26.860%	-1.6%
	County with Library	29.983%	29.535%	-1.5%
	County	MVR: 0.00353%	0.00330%	-6.6%
	County RRA	0.224%	0.174%	-22.1%
	County CDA	1.469%	1.416%	-3.6%
Schools:	ISD 200 Hastings	20.545%	19.156%	-6.8%
	ISD 200 Hastings	MVR: 0.27360%	0.26861%	-1.8%
	ISD 622 N St Paul/Maplewood	30.089%	28.854%	-4.1%
	ISD 622 N St Paul/Maplewood	MVR: 0.19486%	0.18665%	-4.2%
	ISD 624 White Bear Lake	23.685%	26.034%	9.9%
	ISD 624 White Bear Lake	MVR: 0.22280%	0.23216%	4.2%
	ISD 831 Forest Lake	26.230%	24.786%	-5.5%
	ISD 831 Forest Lake	MVR: 0.11395%	0.10543%	-7.5%
	ISD 832 Mahtomedi	32.161%	31.839%	-1.0%
	ISD 832 Mahtomedi	MVR: 0.24118%	0.23248%	-3.6%
	ISD 833 South Washington Co	33.303%	35.376%	6.2%
	ISD 833 South Washington Co	MVR: 0.37066%	0.34848%	-6.0%
	ISD 834 Stillwater	19.349%	18.319%	-5.3%
	ISD 834 Stillwater	MVR: 0.18938%	0.19294%	1.9%
	SD 2144 Chisago Lakes	29.998%	28.295%	-5.7%
	SD 2144 Chisago Lakes	MVR: 0.17190%	0.16427%	-4.4%
Other:	Brown's Creek WS	5.021%	5.248%	4.5%
	Carmelian Marine WS	3.292%	3.439%	4.4%
	Comfort Lake WS	5.707%	5.633%	-1.3%
	R-W Metro WS	3.878%	3.538%	-8.8%
	Rice Creek WS	1.838%	1.924%	4.7%
	South Washington WS	0.819%	0.804%	-1.7%
	Valley Branch WS	2.323%	3.968%	70.8%
	Hastings HRA	1.454%	1.452%	-0.1%
	Woodbury HRA	0.255%	0.236%	-7.3%
	Metropolitan Council	0.816%	0.647%	-20.6%
	Met Council Transit	1.226%	1.314%	7.2%
	Met Mosquito Control	0.440%	0.421%	-4.2%
	State of MN (C/I)	43.865%	41.000%	-6.5%
	State of MN (cabins)	20.779%	20.000%	-3.7%
	Fiscal Disparities (C/I)	145.095%	143.992%	-0.8%

Next Steps

- ❖ Open hearing for comments and questions
- ❖ Adoption of 2018 budget and tax levy at the Council meeting on Tuesday, December 19, 2017 (7:00 p.m.)