



Truth in Taxation Public Hearing
2018 Budget
December 6, 2017

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 2018**
- ❖ **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:

- ❖ **April – July – Capital Improvement Committee met to recommend 2018-2022 CIP**
- ❖ **June/July- staff and committees draft operating budgets**
- ❖ **August – City Council Work Session budget overview**
- ❖ **September – City Council adopts resolution certifying maximum tax levy (4.2% increase for 2018)**
- ❖ **October & November – City Council Work Session review of Departmental and Fund budgets**
- ❖ **November- County mails proposed property tax statements**
- ❖ **December 6nd - Public hearing on 2018 budget**
- ❖ **December 19th - Council adopts 2018 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

Pay structure - merit step increases for non-bargaining unit employees	-	2.75%
Pay structure - bargaining unit employees	-	3.0%
Mayor & Council wages increase based on Ordinance 156	-	0.0%
Health insurance - bargaining unit - estimated	-	8.0%
Health insurance - non-bargaining unit - per renewal information from insurer	-	8.0%
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%
Assessor - contract + 200 additional building permits @ \$10 /	-	0.0%
League of Minnesota Cities dues increase	-	0.0%
Property insurance - League range 2 - 3% increase	-	
Liability Insurance - League 2-6% increase	-	4.0%
Auto damage & liability - League range 3 - 5% increase	-	
Xcel - electricity -	-	2.0%
Building permits - \$200,000 less than 2017 projected, \$27,000 less than 2016 actual	-	30.0%
Contract with Sheriff Department - estimated increase	-	6.0%
Wage allocations		
Administrator - 20% to Planning		20.00%
Public Works Director - 201 Sewer Systems		12.50%
Public Works Director - 5% Uptown Sewer System		5.00%
Public Works staff - 201 Sewer Systems		8.00%
Public Works staff - Uptown Sewer System		3.00%
Public Works staff - Parks Maintenance		8.00%
Public Works staff - Community Building Maintenance		1.70%

SIGNIFICANT CHANGES FROM STEADY STATE - DOES NOT INCLUDE CAPITAL PROJECTS**REVENUE**

Use of Solar Energy Production Tax - city 20% share (\$400 / year for each MWH in place)	-	\$ 1,200
Accounting services provided to Lakes Area Cable (1/2 year)	-	\$ (1,800)
Building permits	-	\$ 30,000

EXPENDITURES**ADMINISTRATION**

Lakes Area Television - withdraw from joint powers agreement 6/30/2018	-	\$ (4,300)
Revolving Loan Fund - transfer balance from the General Fund - \$20,000 - no impact on levy	-	\$ 20,000

COUNCIL

Council travel & conferences	-	\$ 1,000
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PLANNING - COMPREHENSIVE PLAN UPDATE

Remainder on comprehensive planning agreement (\$43,000 in 2017)	-	\$ 15,000
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FIRE

Increase Fire Chief hours worked and wages	-	\$ 33,000
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PUBLIC WORKS

Moved additional wages to Parks	-	\$ (8,500)
Moved wages to Community Building	-	\$ (2,400)
Refurbish signs - 2 welcome to Scandia, Community Building, Fire / Public Works, Warming house, lighted ballfield - 6 @ \$500	-	\$ 3,000
Transfer of excess General fund balance (\$523,200 in 2017)	-	\$ 400,000

PARKS

Additional PW wage allocation	-	\$ 8,500
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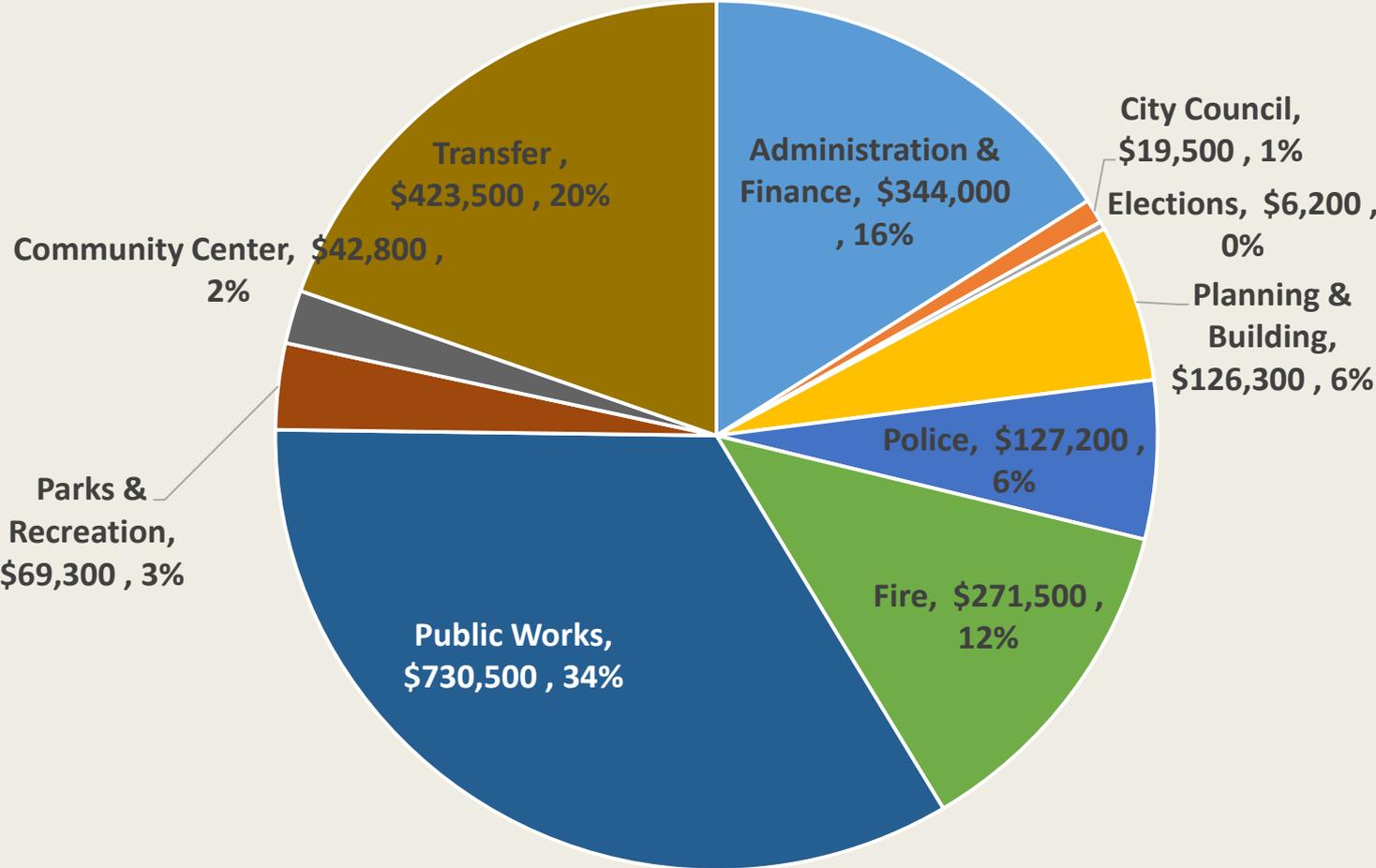
COMMUNITY BUILDING

Added wages for Public Works maintenance	-	\$ 2,400
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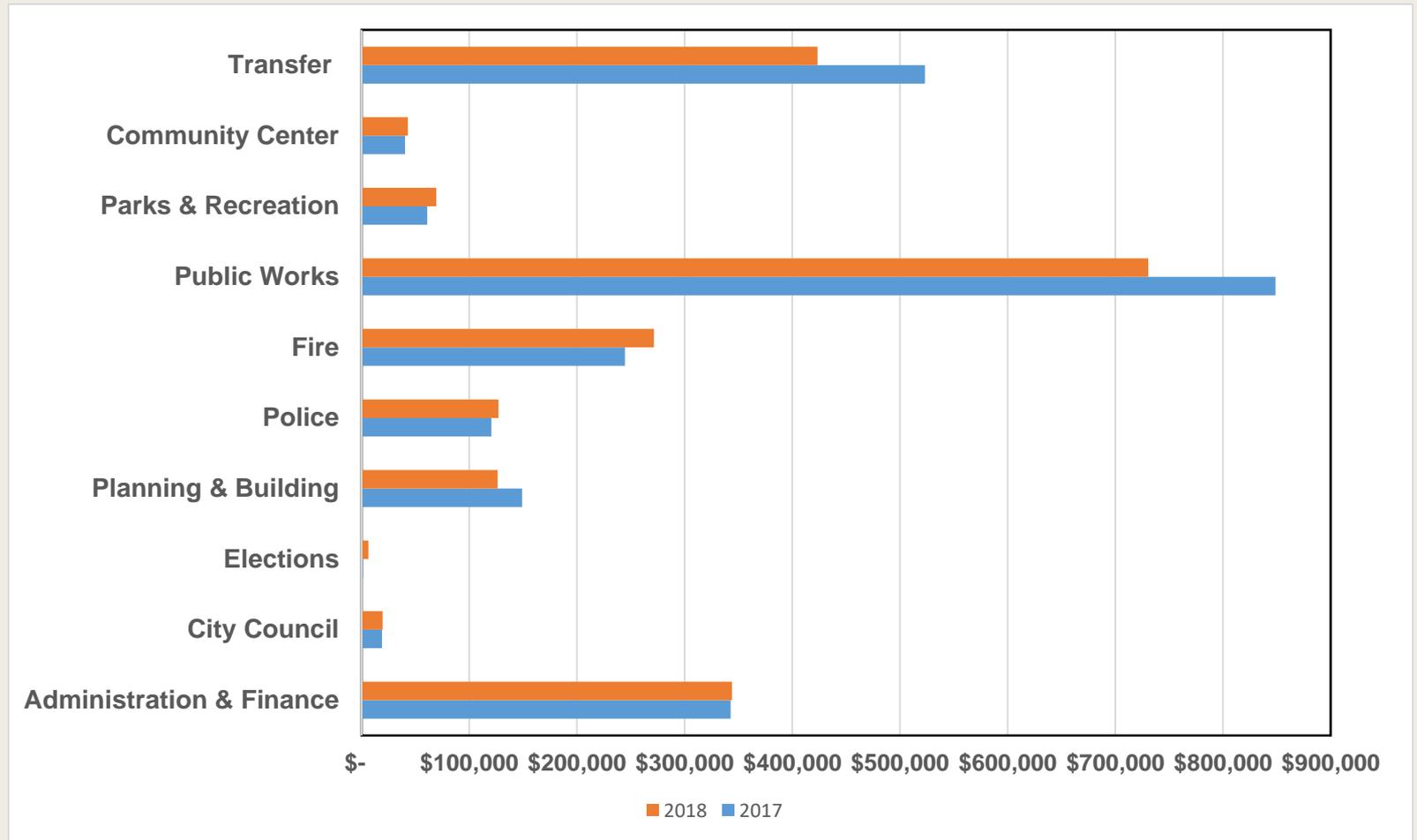
PAY STRUCTURE

Modify base pay from levels established in 2013 - 0.75% increase = \$1,200	-	\$ 1,200
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Proposed General Fund Spending, by Department

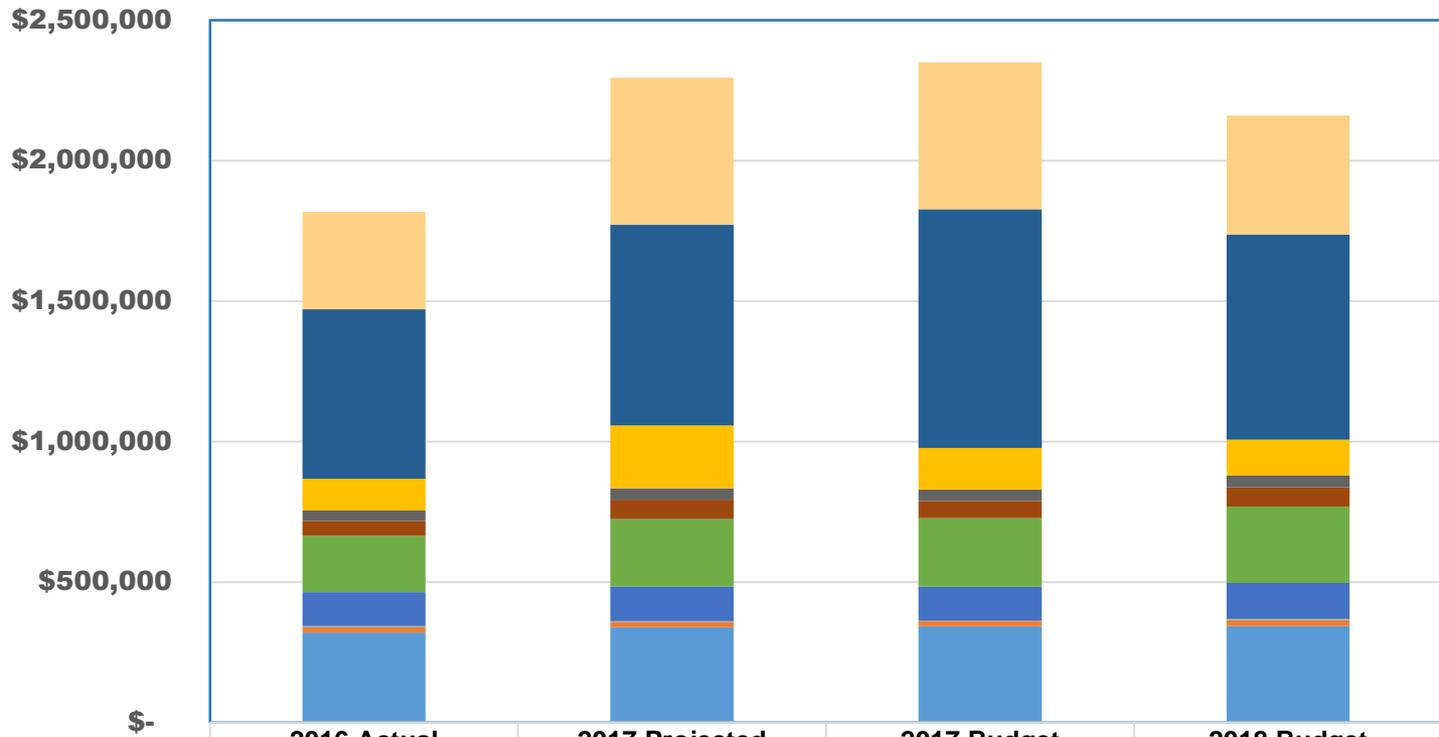


Proposed General Fund Expenditures by Department



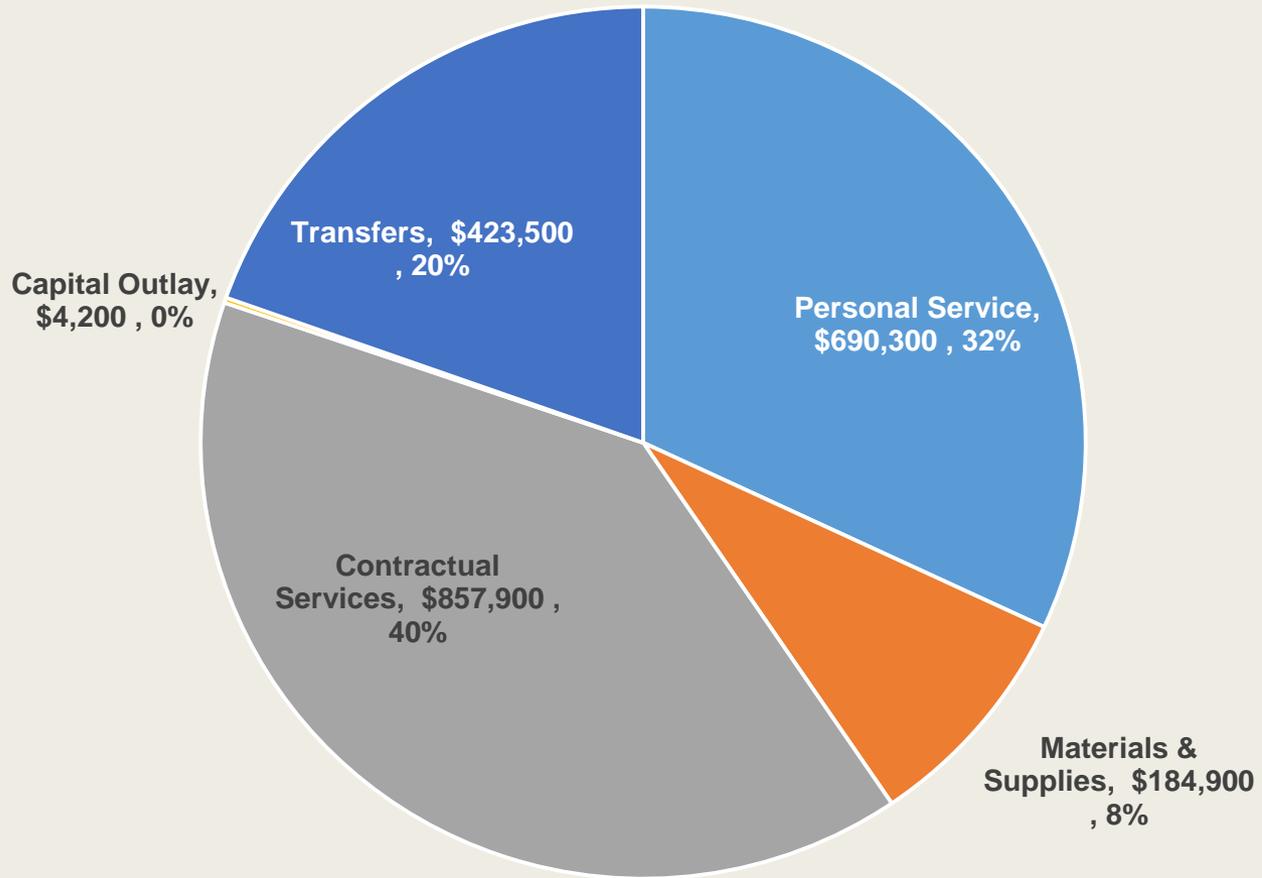
- ❑ Proposed Spending: \$2,160,800
 - \$188,900 or 8% decrease over 2017 budget
 - Budget decrease is primarily attributable to:
 - Decrease in transfer to Capital Funds - \$99,700
 - Road Maintenance Funds levy moved to Local Road Improvement fund - \$115,000

General Fund Spending by Department

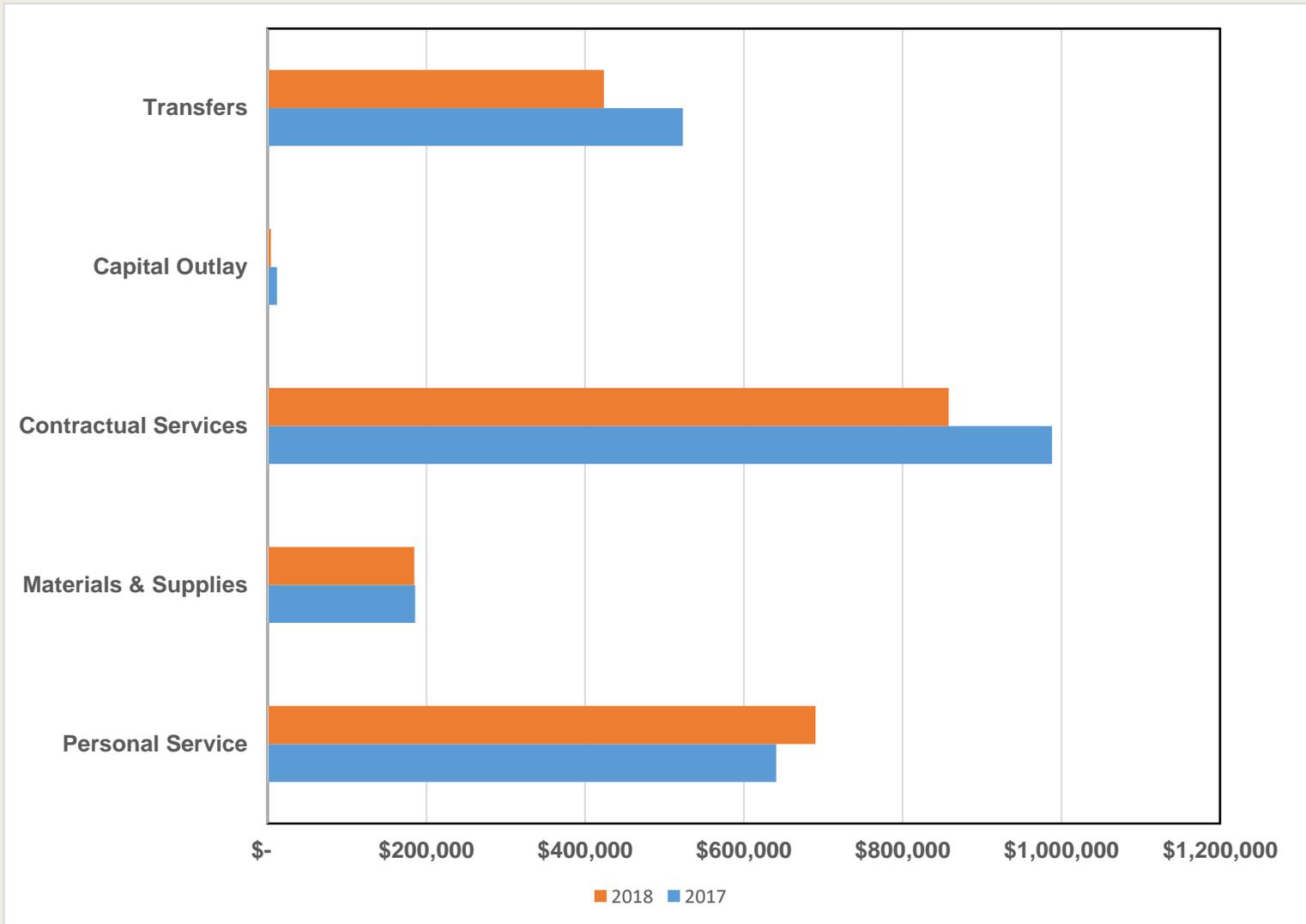


	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Transfer	\$347,724	\$523,200	\$523,200	\$423,500
Public Works	\$603,020	\$715,900	\$848,600	\$730,500
Planning & Building	\$112,602	\$223,600	\$149,000	\$126,300
Community Center	\$37,763	\$40,910	\$40,200	\$42,800
Parks & Recreation	\$53,008	\$67,800	\$60,900	\$69,300
Fire	\$200,280	\$239,937	\$244,500	\$271,500
Police	\$120,696	\$124,300	\$120,500	\$127,200
Elections	\$5,428	\$1,900	\$1,300	\$6,200
City Council	\$17,645	\$19,400	\$18,900	\$19,500
Administration & Finance	\$320,225	\$339,300	\$342,600	\$344,000

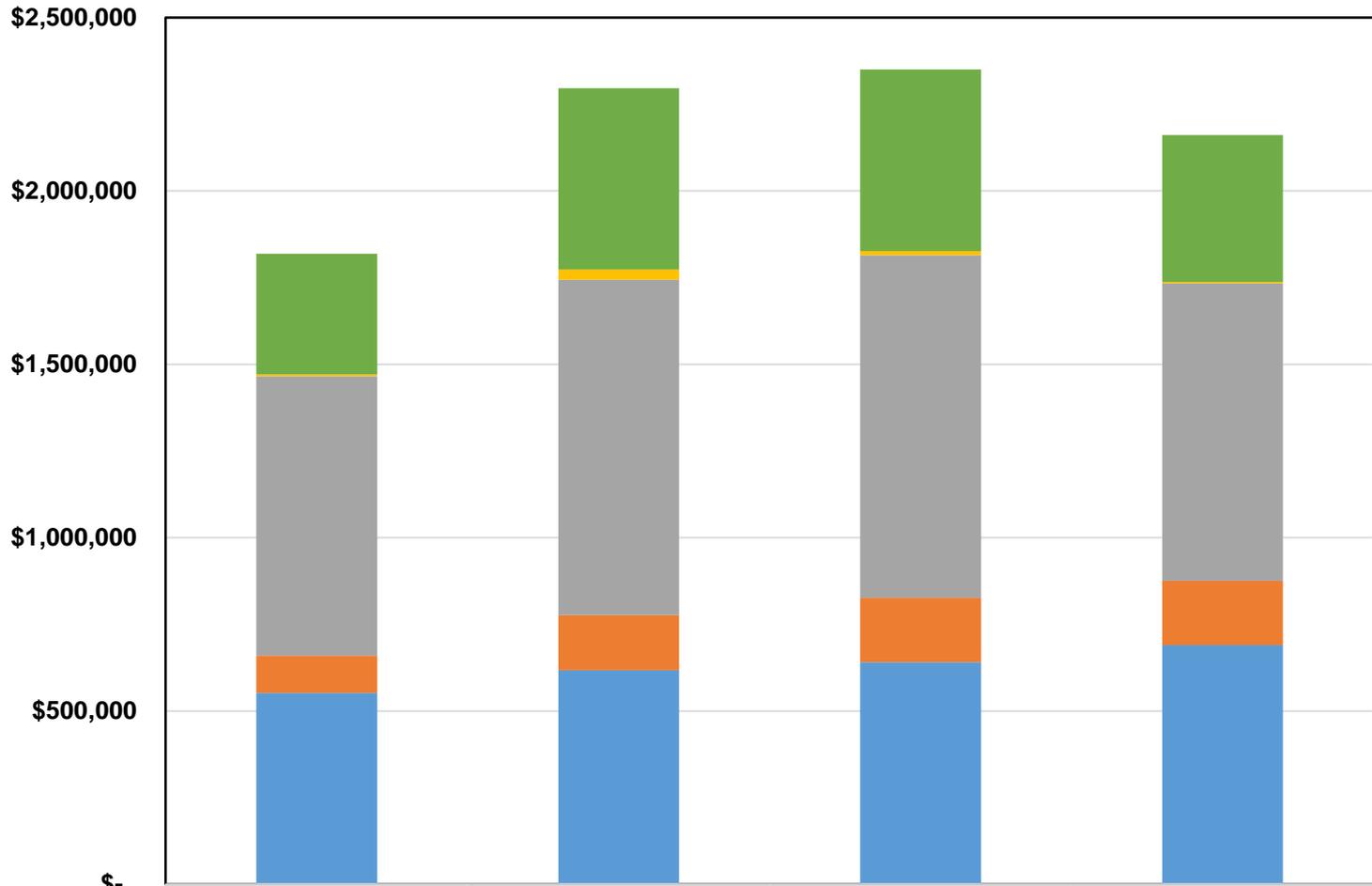
General Fund Budget by Category



Budgeted General Fund Expenditures by Category

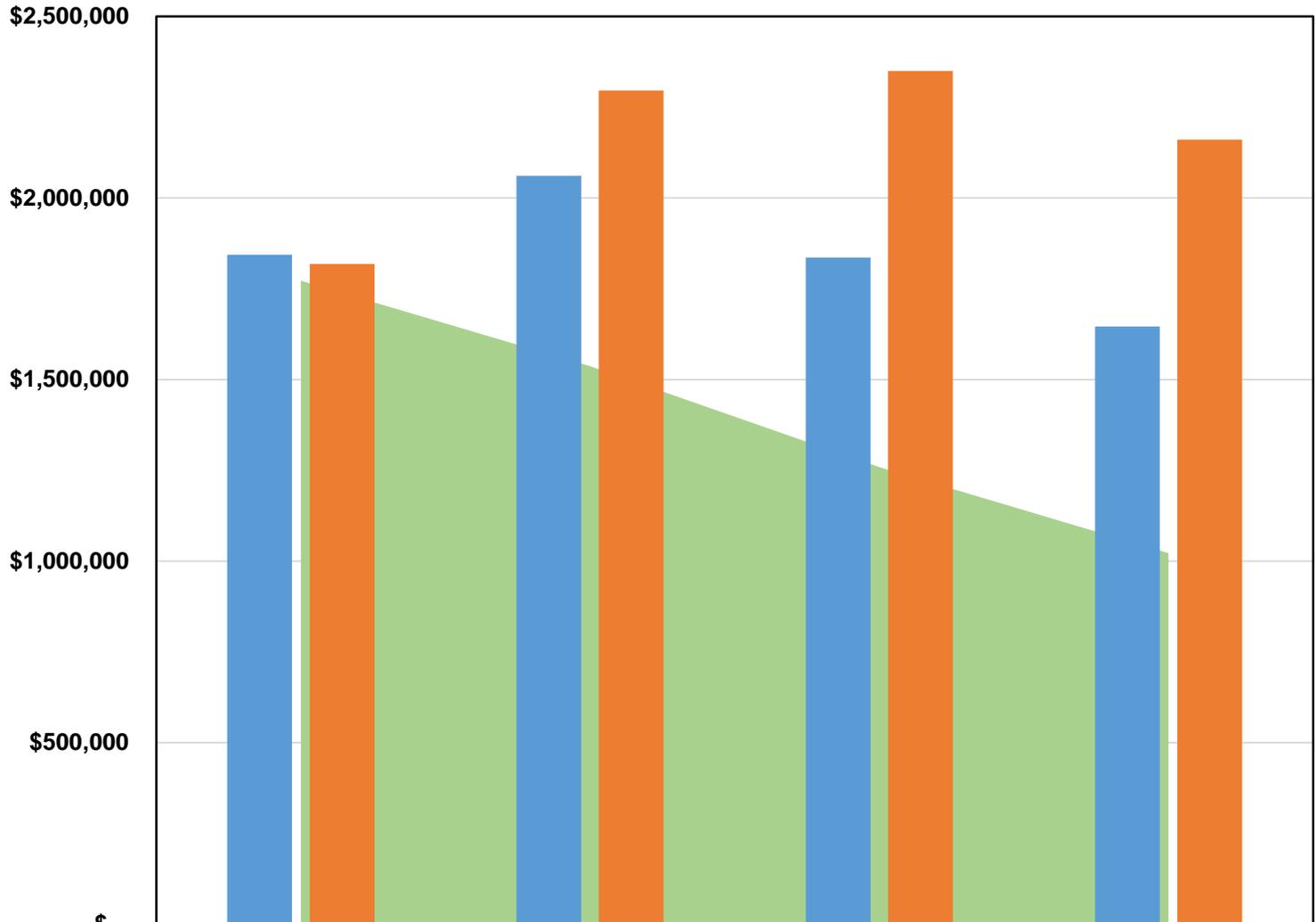


General Fund Spending by Category



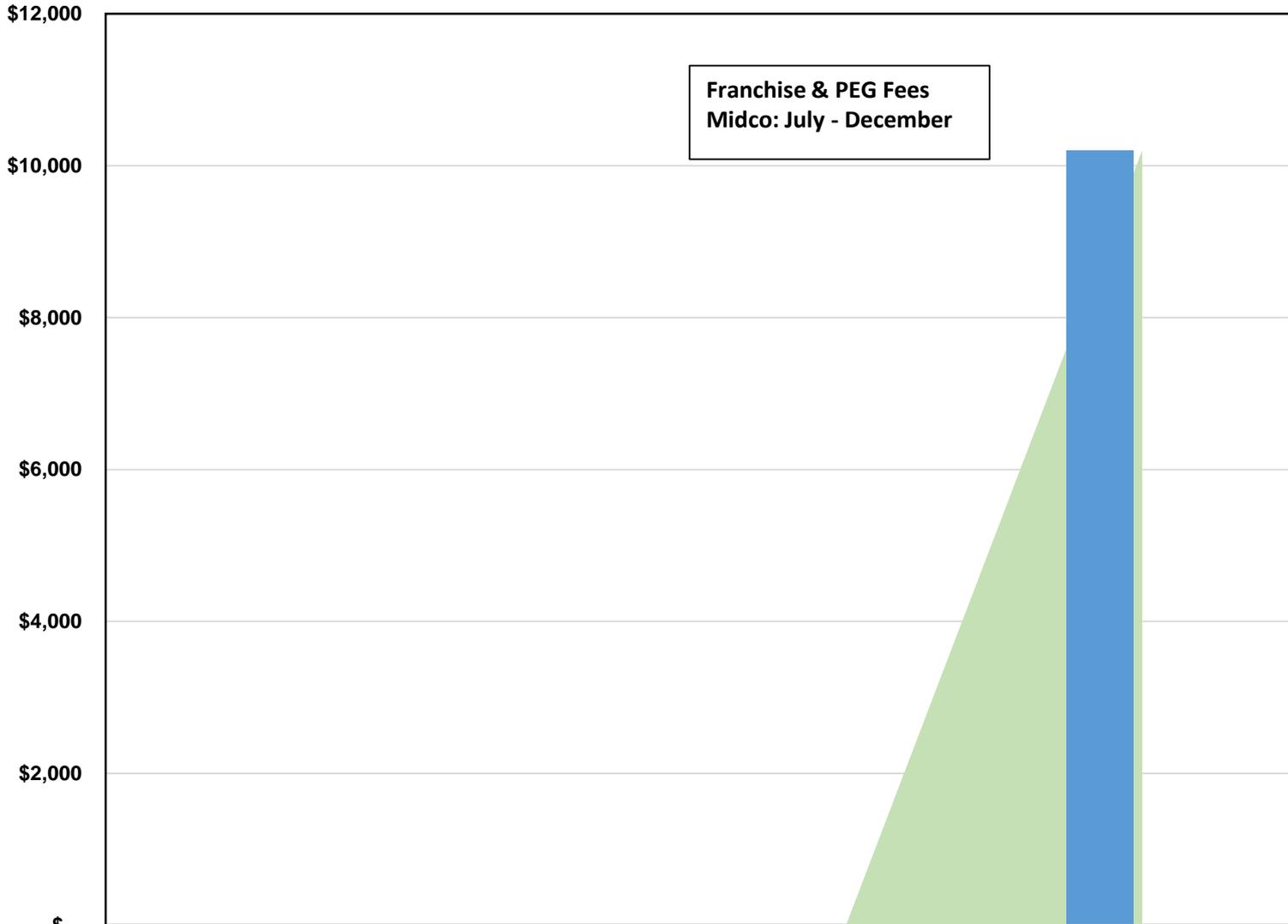
	2016 Actual	2017 Projected	2017 Proposed	2018 Budget
Transfers	\$347,724	\$523,200	\$523,200	\$423,500
Capital Outlay	\$5,197	\$28,700	\$11,700	\$4,200
Contractual Services	\$805,510	\$967,547	\$988,100	\$857,900
Materials & Supplies	\$107,476	\$158,900	\$185,800	\$184,900
Personal Service	\$552,483	\$617,900	\$640,900	\$690,300

General Fund Summary



	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Fund balance - 12/31	\$1,772,274	\$1,536,764	\$1,258,774	\$1,021,784
Revenue	\$1,844,078	\$2,060,737	\$1,836,200	\$1,645,820
Expenditures	\$1,818,391	\$2,296,247	\$2,349,700	\$2,160,800

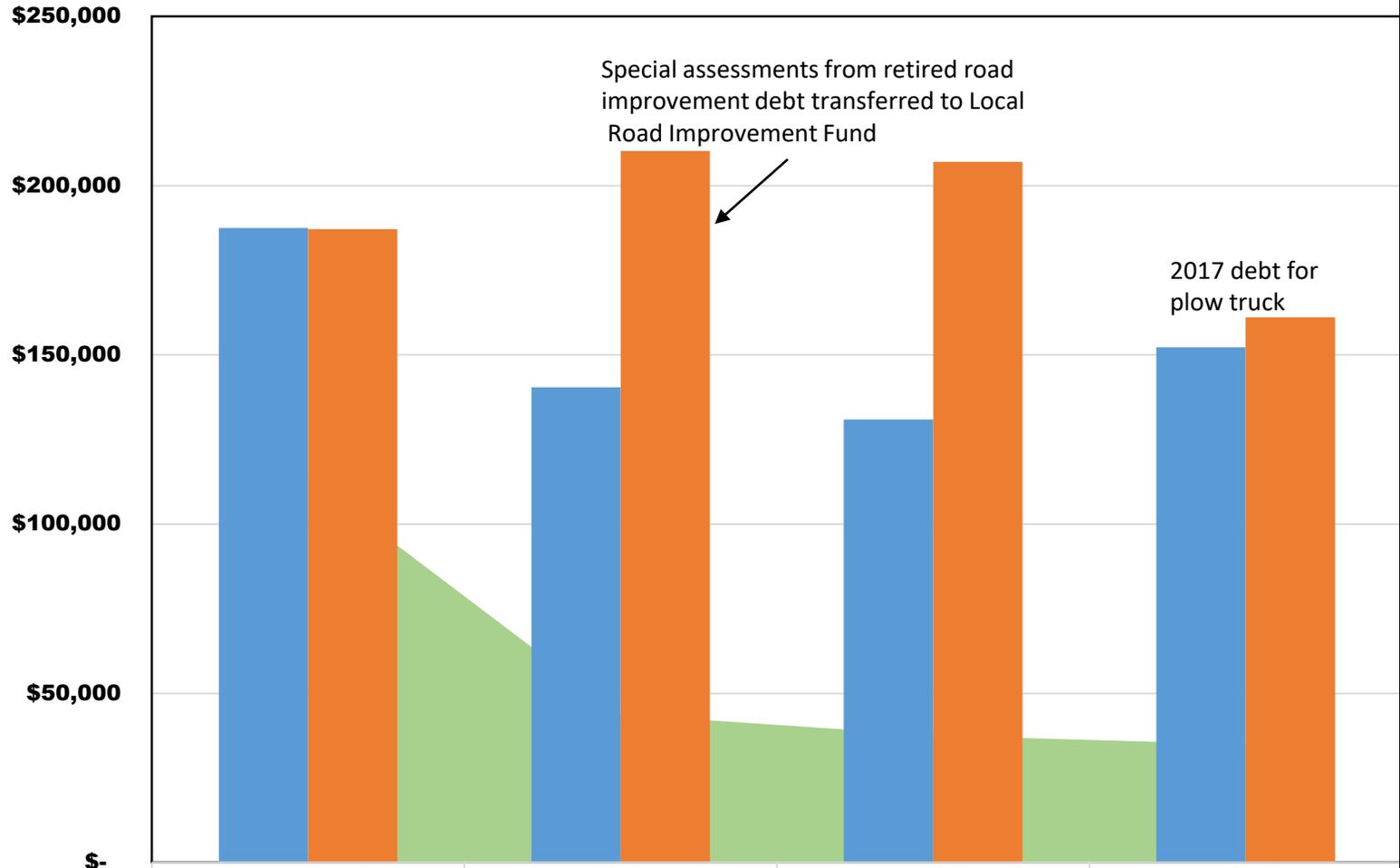
CABLE FRANCHISE FUND



Franchise & PEG Fees
Midco: July - December

	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Fund Balance	\$-	\$-	\$-	\$10,200
Revenue	\$-	\$-	\$-	\$10,200
Expenditures	\$-	\$-	\$-	\$-

DEBT SERVICE FUND SUMMARY

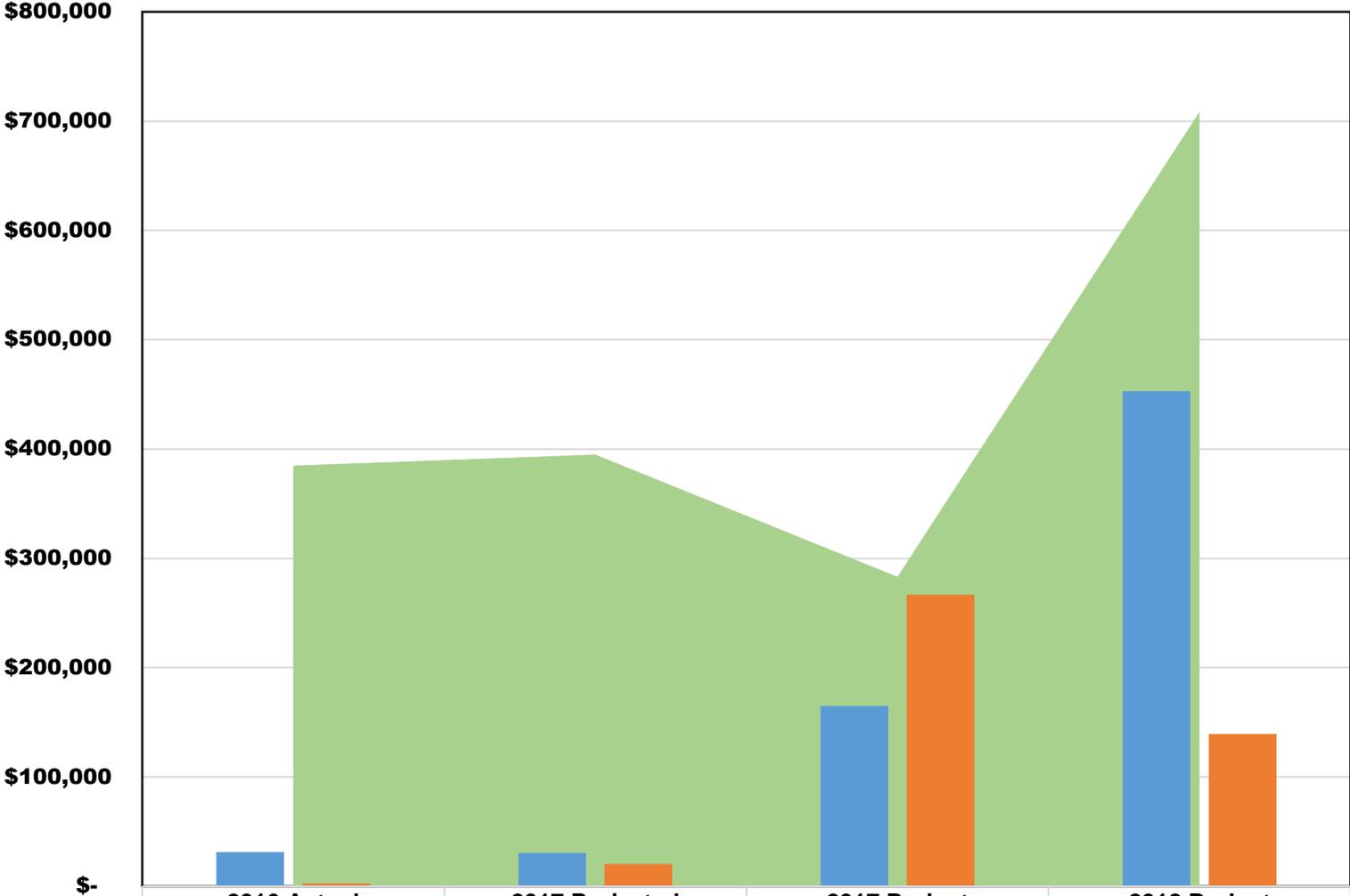


	2016 Actual	2017 Projected	2017 Budget	2018 Budget
■ Fund Balance	\$113,621	\$43,794	\$37,603	\$34,904
■ Revenue	\$187,459	\$140,386	\$130,948	\$152,202
■ Expenditures	\$187,098	\$210,213	\$206,981	\$161,092

Capital Funds

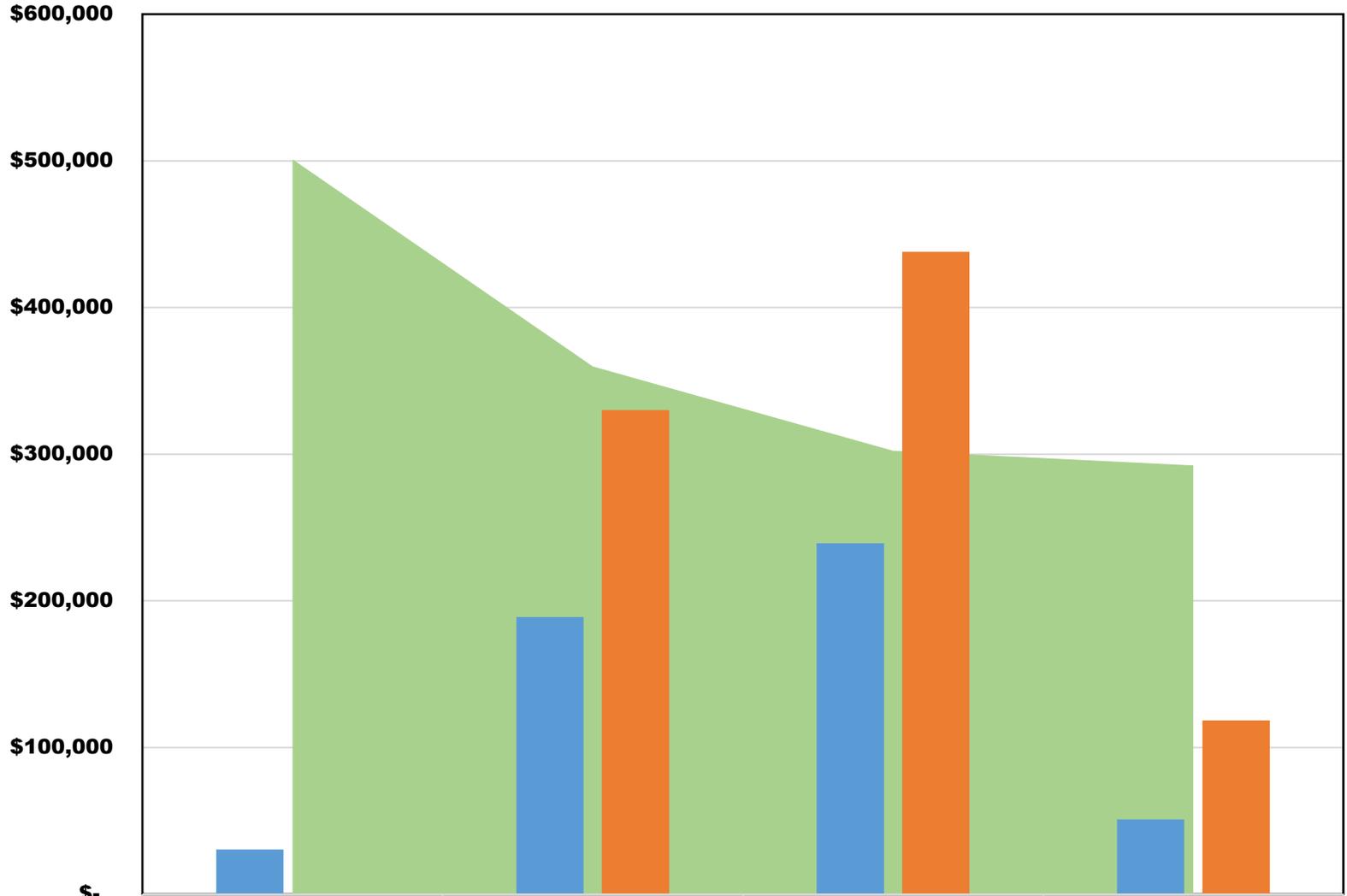
- ❖ General Capital Fund**
- ❖ Park Improvement Fund**
- ❖ Equipment Replacement Fund**
- ❖ Local Road Improvement Fund**

CAPITAL IMPROVEMENT FUND



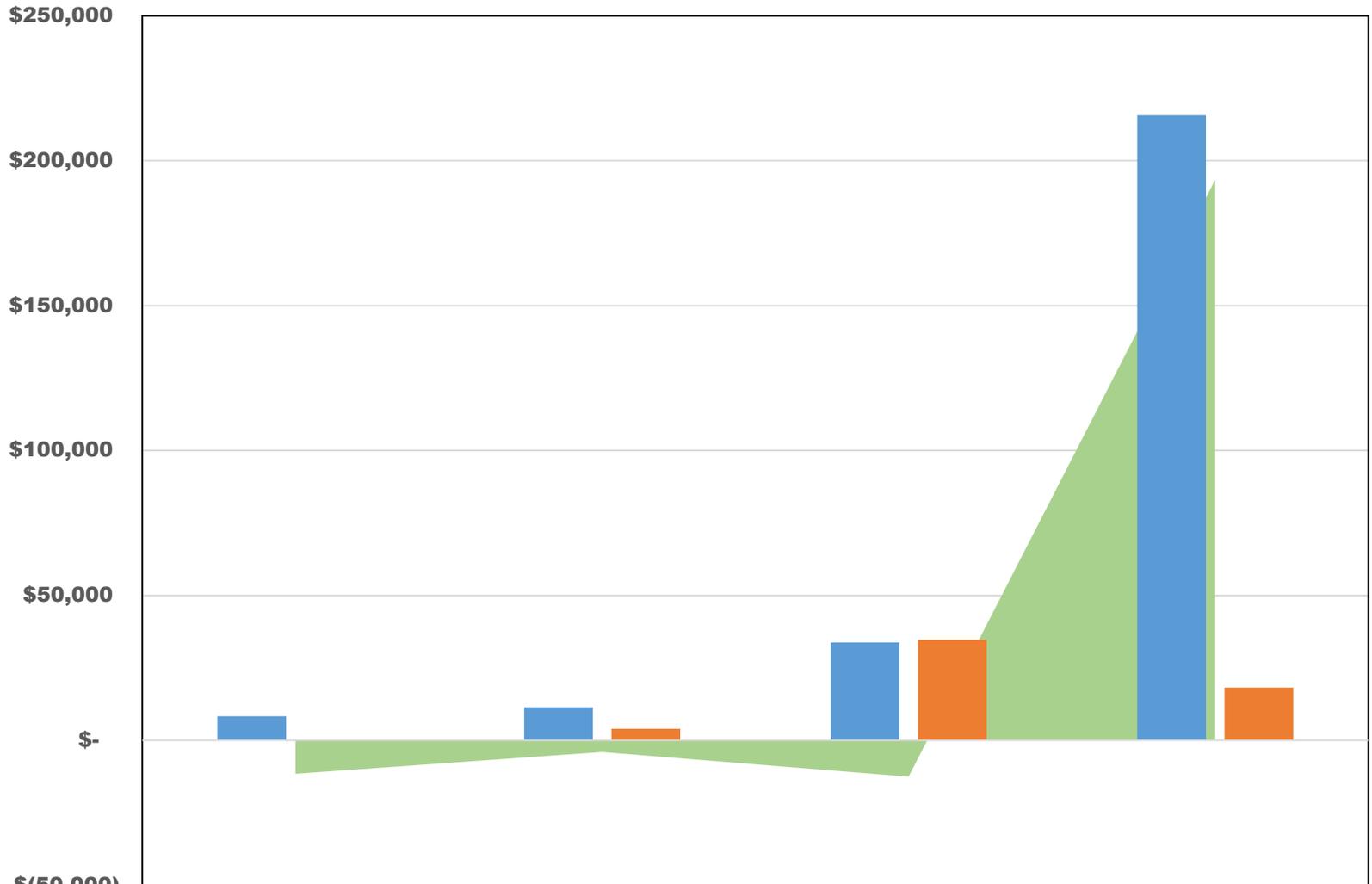
	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Fund Balance	\$384,832	\$394,927	\$283,132	\$708,627
Revenue	\$31,144	\$30,500	\$165,000	\$453,000
Expenditures	\$2,370	\$20,405	\$266,700	\$139,300

EQUIPMENT REPLACEMENT FUND



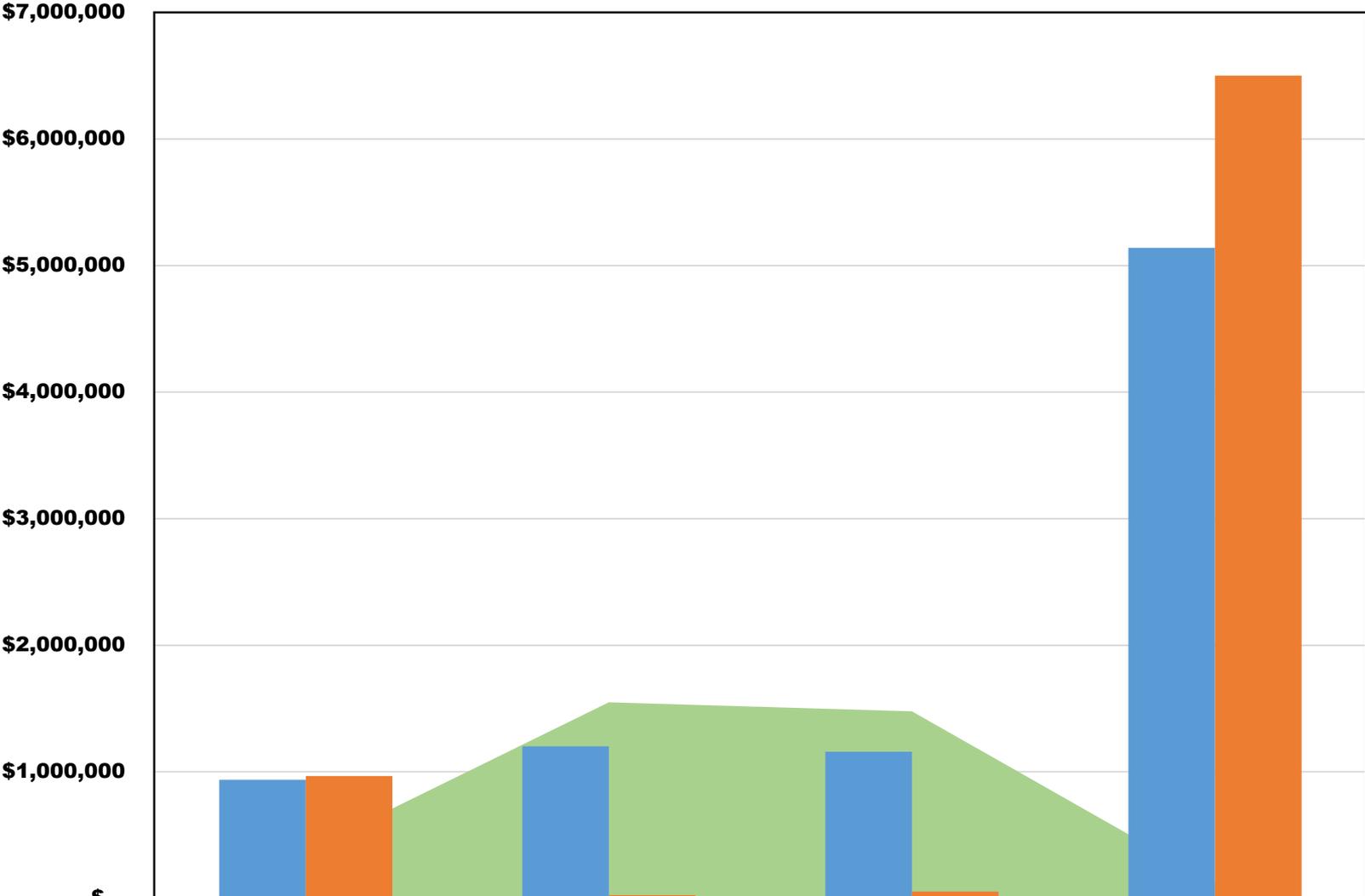
	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Fund Balance	\$501,061	\$359,841	\$302,355	\$292,341
Revenue	\$30,454	\$188,912	\$239,294	\$51,000
Expenditures	\$-	\$330,133	\$438,000	\$118,500

PARK CAPITAL FUND



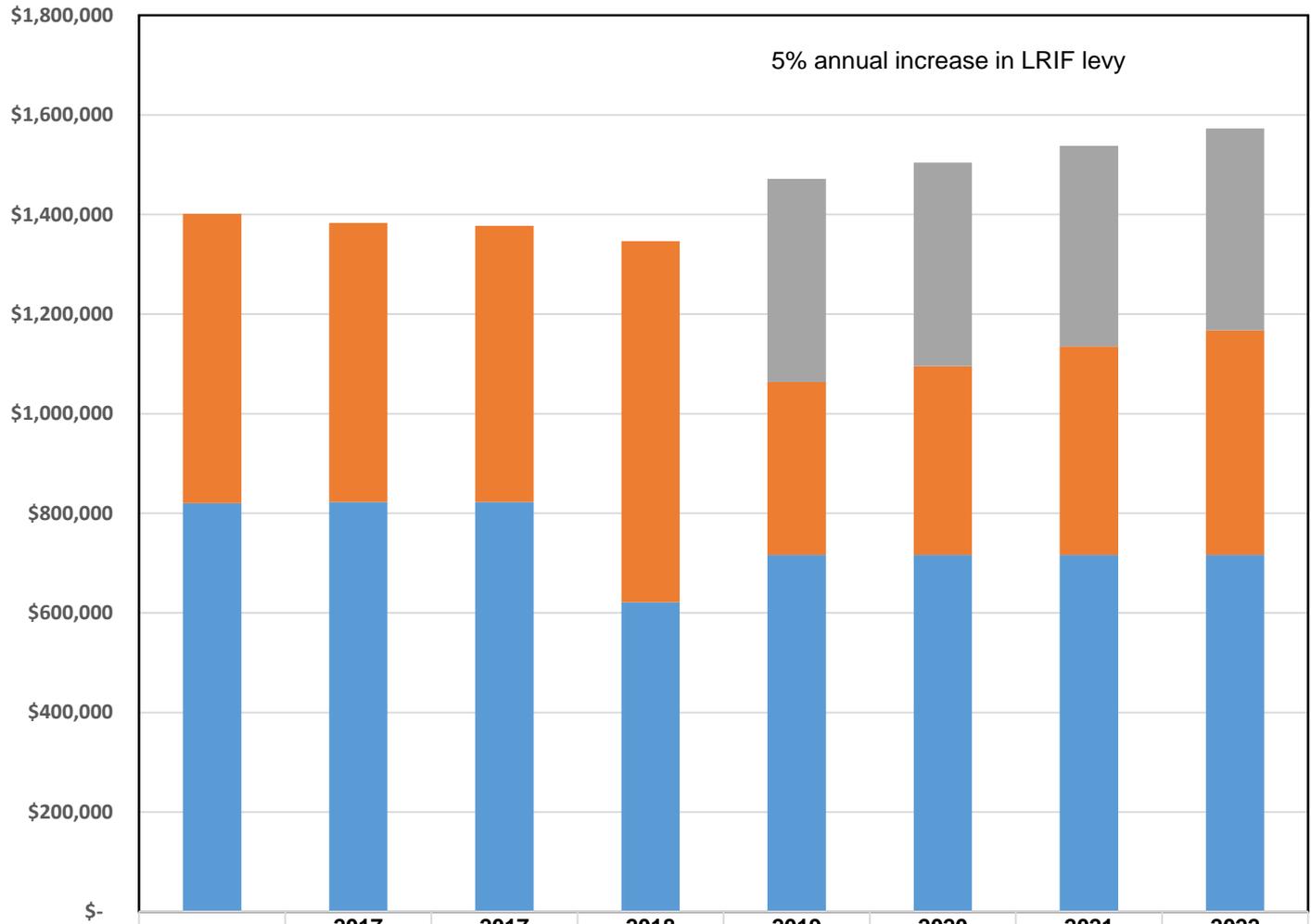
	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Fund Balance	\$(11,559)	\$(4,046)	\$(12,559)	\$193,434
Revenue	\$8,253	\$11,450	\$33,700	\$215,700
Expenditures	\$-	\$3,937	\$34,700	\$18,220

LOCAL ROAD IMPROVEMENT FUND



	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Fund Balance	\$374,020	\$1,549,453	\$1,477,853	\$117,603
Revenue	\$936,870	\$1,200,433	\$1,157,833	\$5,139,750
Expenditures	\$965,806	\$25,000	\$54,000	\$6,500,000

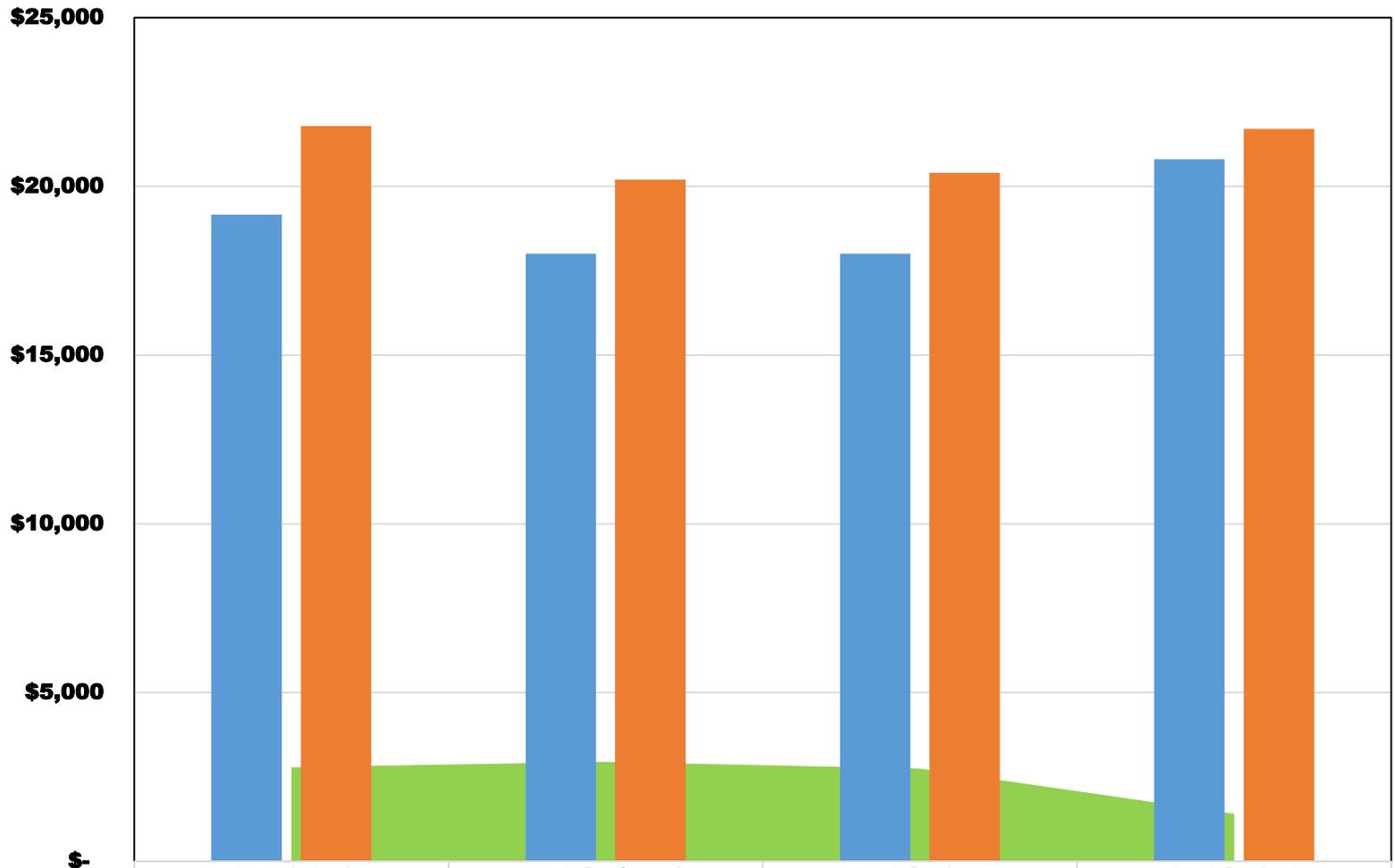
TAX LEVY FOR PUBLIC WORKS AND ROADS



■ Debt Service on 2018 Projects	\$-	\$-	\$-	\$-	\$408,345	\$408,240	\$402,780	\$405,300
■ Local Road Improvement Fund	\$581,142	\$560,533	\$554,833	\$725,050	\$347,208	\$379,340	\$418,429	\$451,220
■ General Fund - Public Works	\$820,377	\$822,500	\$822,500	\$621,420	\$716,420	\$716,420	\$716,420	\$716,420

Street Name	Location	Rating	Last Paved	Last Sealed	2018	2019	2020	2021	2022	2024	2026	2028	Not included	Paved - 20+ highlighted	Sealed - 6+ highlighted
199th Street N	Parkview to Hwy 95	1	1997	2012								Pave		20	5
199th Street N	Oakhill Rd N to Parkview	3	1997	2012								Pave		20	5
228th Street N	Lofton Ave to Meadowbrook Ave	1	1989	1995					Pave					28	22
230th Street N	West City Limits to Manning Trl	1	1992	2000			Pave							25	17
Kirk Ave N	230th St. to 225th St	1	1992	2000			Pave							25	17
Mallard Ave	228th St. to North End	3	1996						Pave					21	
Meadowbrook Ave N	228th St N to Oakhill Rd N	3	1992	2011	Seal									25	6
Meadowbrook Ave N	Melanie Trl N to 228th St N	3	1992	2011	Seal									25	6
Meadowbrook Ave N	Oakhill Rd to South End	3	1992	2011	Seal									25	6
Melanie Trl N (south)	Melanie Trl to Meadowbrook Ave	3	1995	2012	Seal									22	5
Oakhill Road N	Meadowbrook Ave N to Scandia Trl	3	1992	2000										25	17
Old Marine Tr N	Olinda Trl N to Oxboro Ave N	3	1994	2000	Pave									23	17
Oldfield Ave N	Oakhill Rd N to North	1	1992	2000										25	17
Oren Road N	Oldfield Ave N to Olinda Trl N	3	1992	2000										25	17
Orwell Ave N	197th St N to Old Marine Trl N	3	1994	2000					Pave					23	17
Orwell Ct N	Orwell Ave N to West	1	1994	2000					Pave					23	17
Oxboro Ave N	Oakhill Rd N to Old Marine Trl N	3	1997	2004	?						Pave			20	13
Parkview Ave N	Parkview Lan N to Parkview Ln N	3	1997	2012								Pave		20	5
Parkview Lane N	199th St N to Parkview Ave N	3	1997	2012								Pave		20	5

UPTOWN SEWER FUND

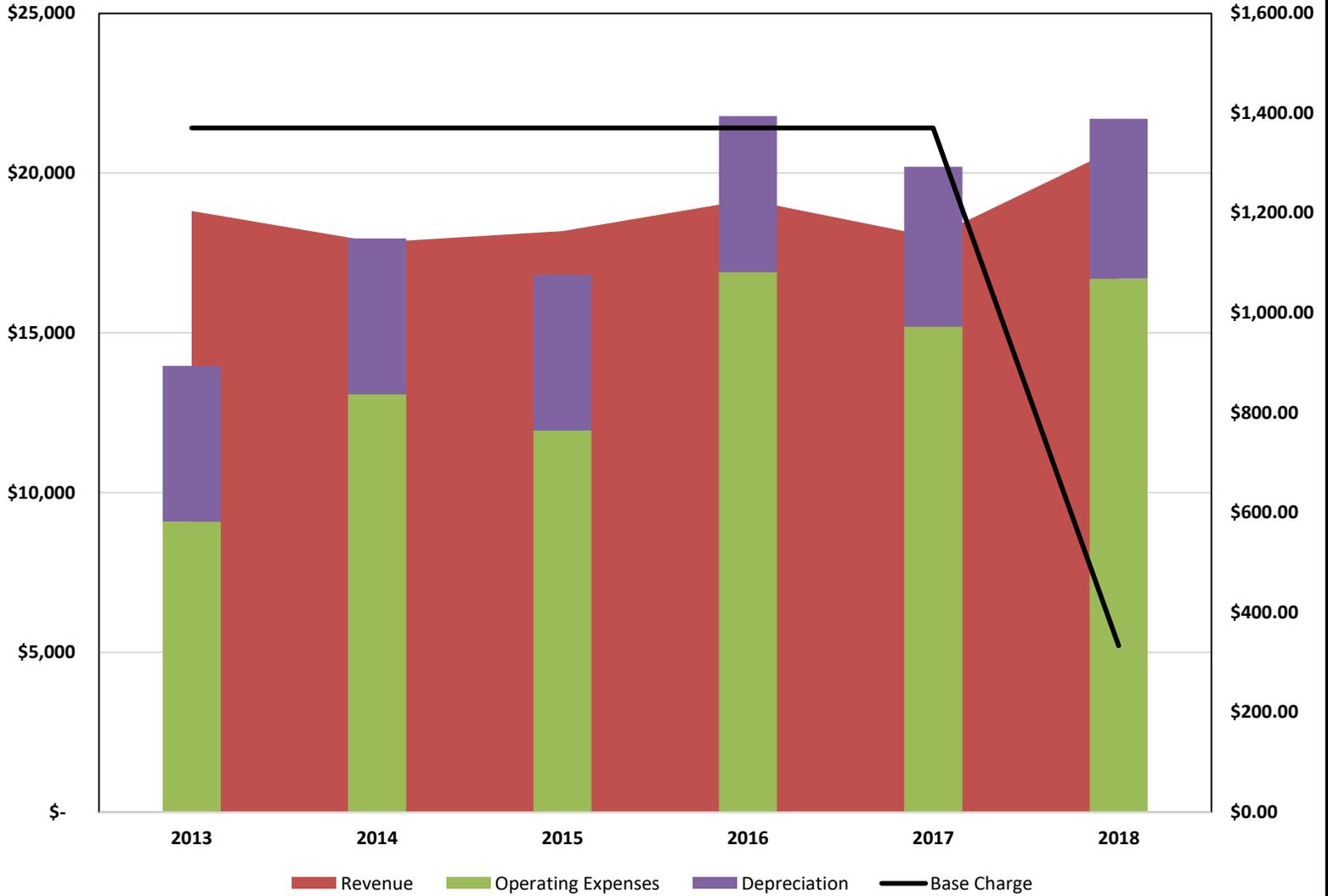


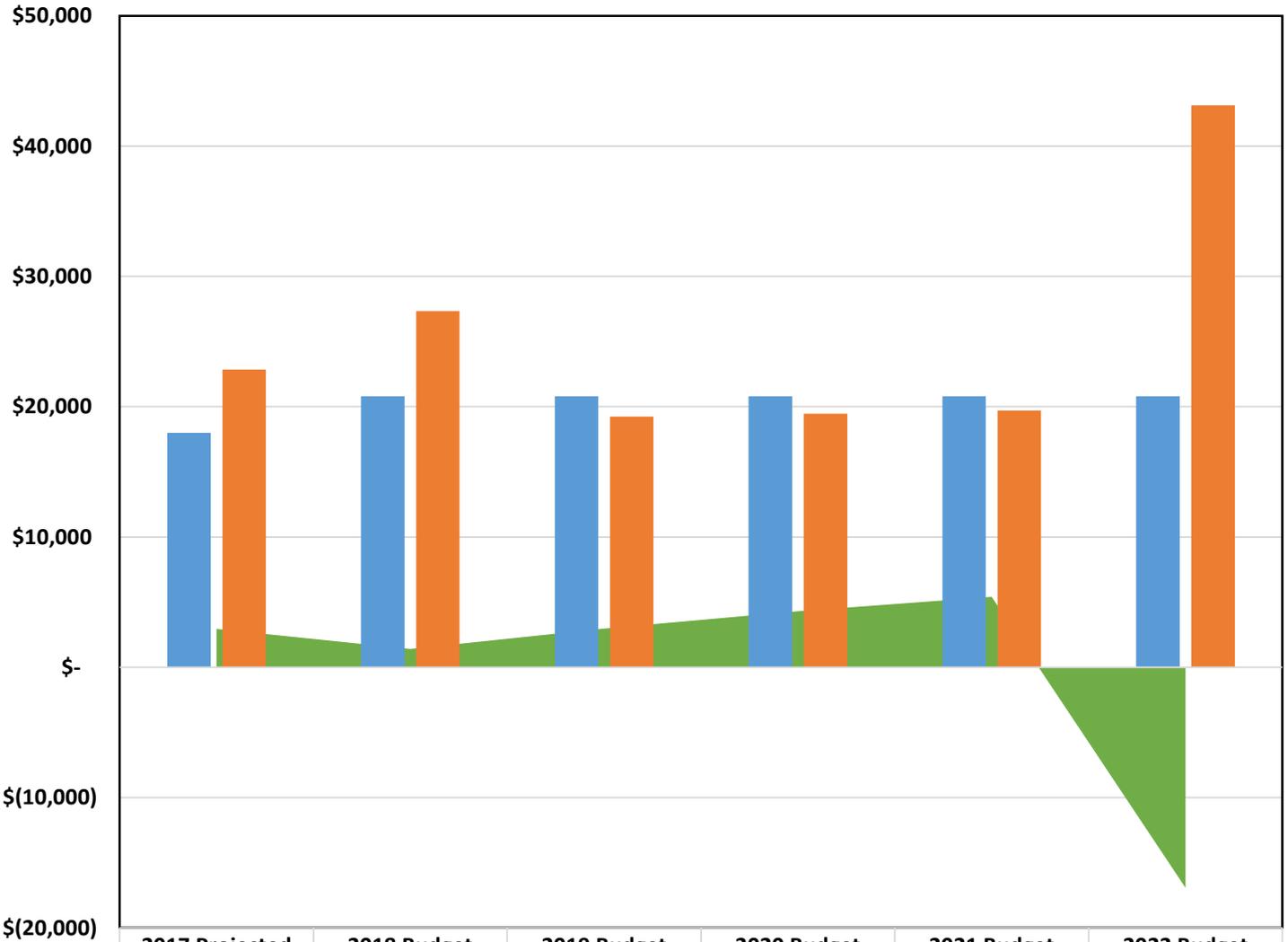
■ Cash Balance
■ Revenue
■ Expenditures

	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Cash Balance	\$2,782	\$2,943	\$2,743	\$1,404
Revenue	\$19,161	\$18,000	\$18,000	\$20,800
Expenditures	\$21,781	\$20,200	\$20,400	\$21,700

■ Cash Balance ■ Revenue ■ Expenditures

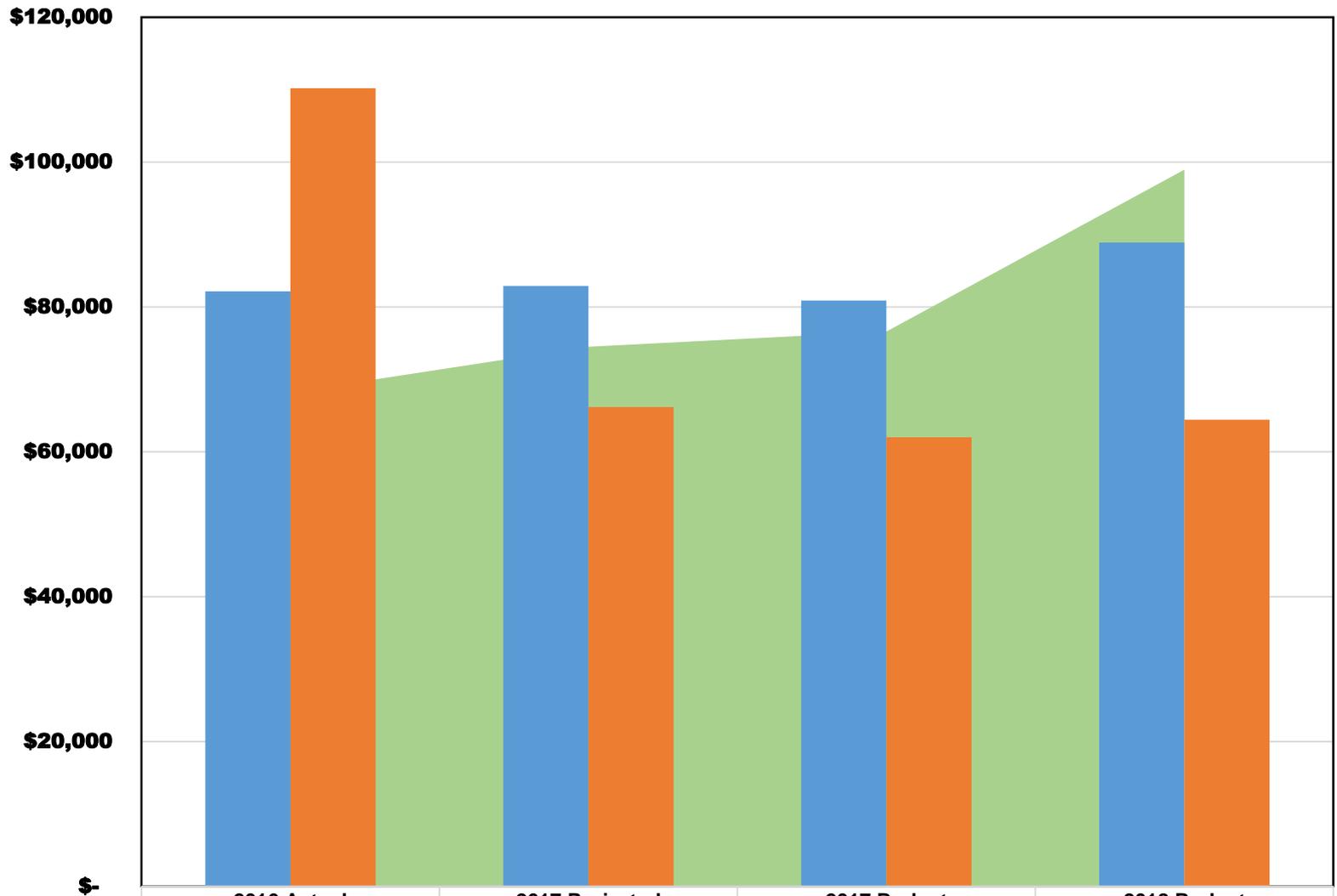
201 SEWER SYSTEM RATES AND NET INCOME





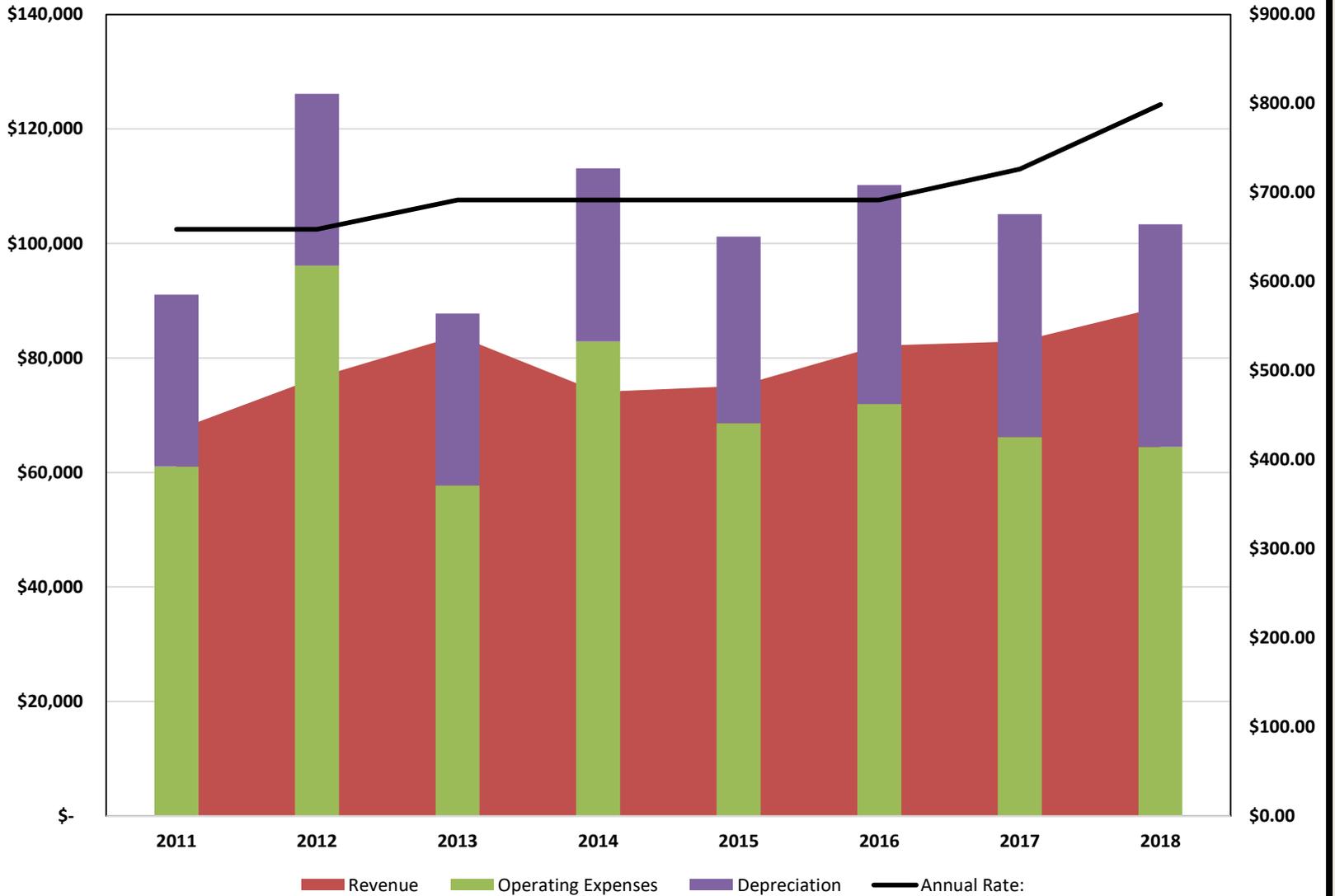
	2017 Projected	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
Year End Cash Balance	\$2,943	\$1,404	\$2,968	\$4,301	\$5,404	\$(16,923)
Revenue	\$18,000	\$20,800	\$20,800	\$20,800	\$20,800	\$20,800
Expenditures	\$22,839	\$27,339	\$19,236	\$19,466	\$19,697	\$43,127

201 SEWER FUND

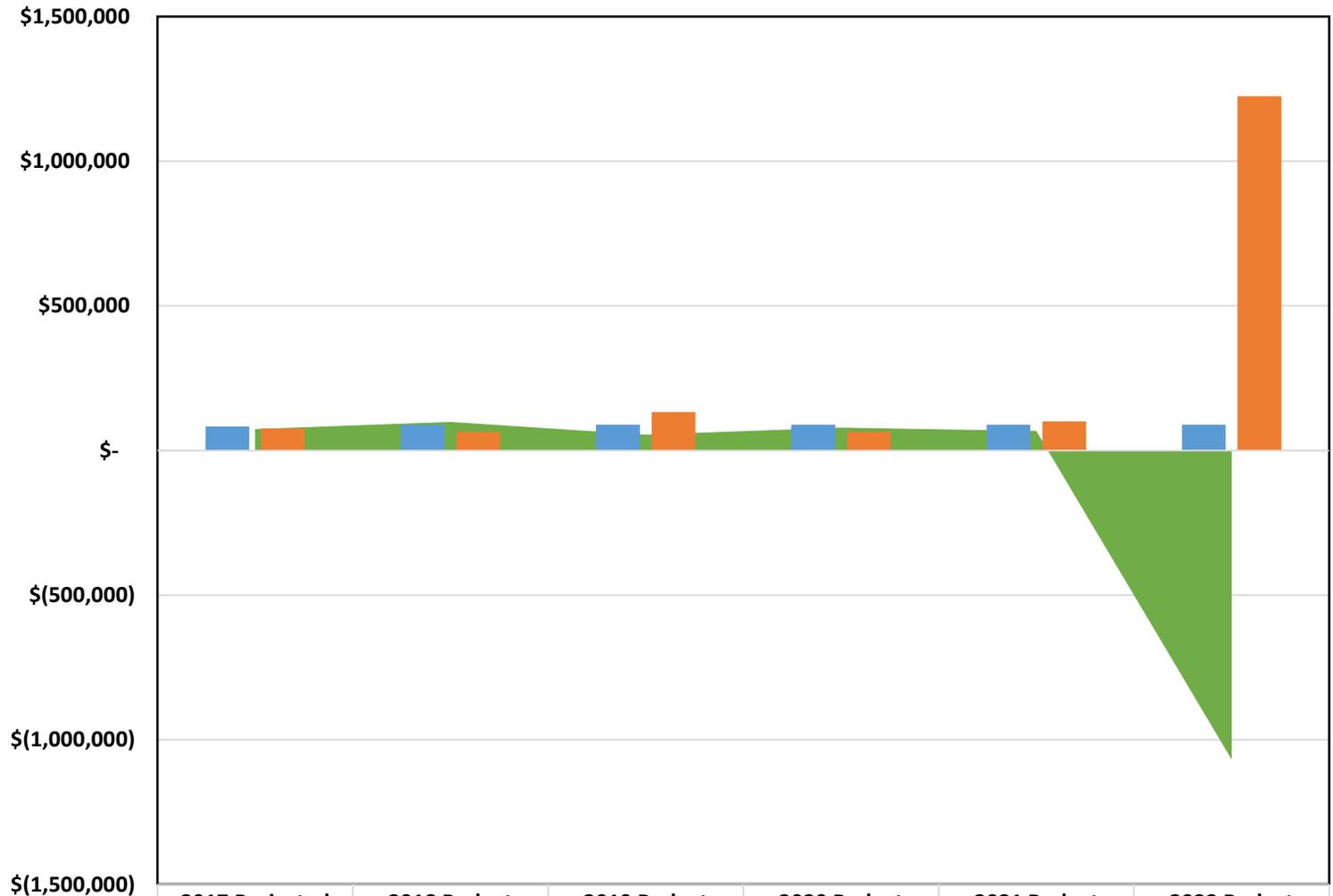


	2016 Actual	2017 Projected	2017 Budget	2018 Budget
Cash Balance	\$68,210	\$74,510	\$76,610	\$98,960
Revenue	\$82,149	\$82,900	\$80,900	\$88,900
Expenditures	\$110,201	\$66,200	\$62,000	\$64,450

201 SEWER SYSTEM RATES AND NET INCOME



201 SEWER SYSTEM



	2017 Projected	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
■ Year End Cash Balance	\$74,510	\$98,960	\$54,410	\$78,860	\$67,310	\$(1,068,240)
■ Revenue	\$82,900	\$88,900	\$88,900	\$88,900	\$88,900	\$88,900
■ Expenditures	\$76,600	\$64,450	\$133,450	\$64,450	\$100,450	\$1,224,450

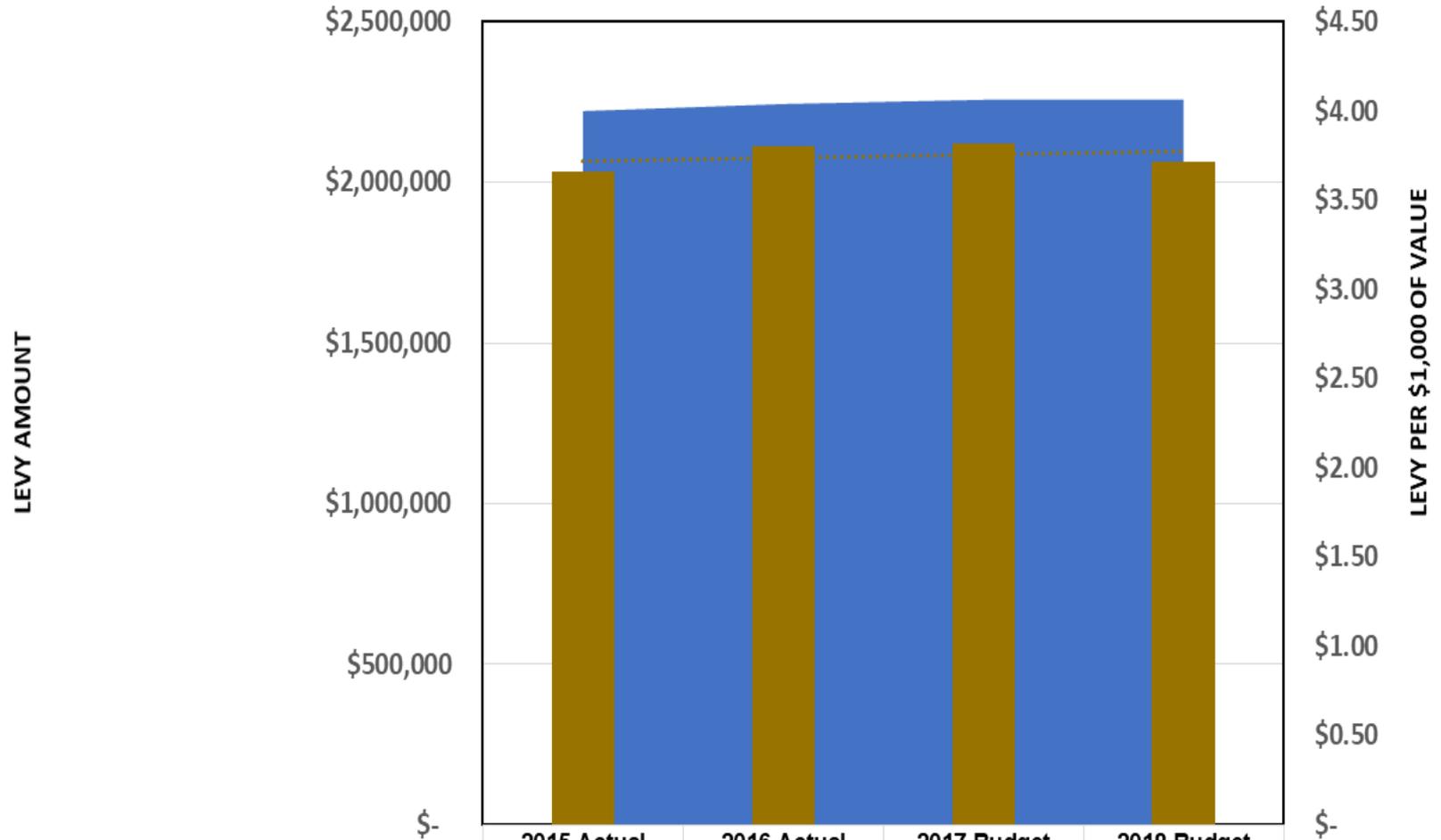


**SCANDIA
PROPERTY TAX
LEVY**

Breakdown of Tax Levy

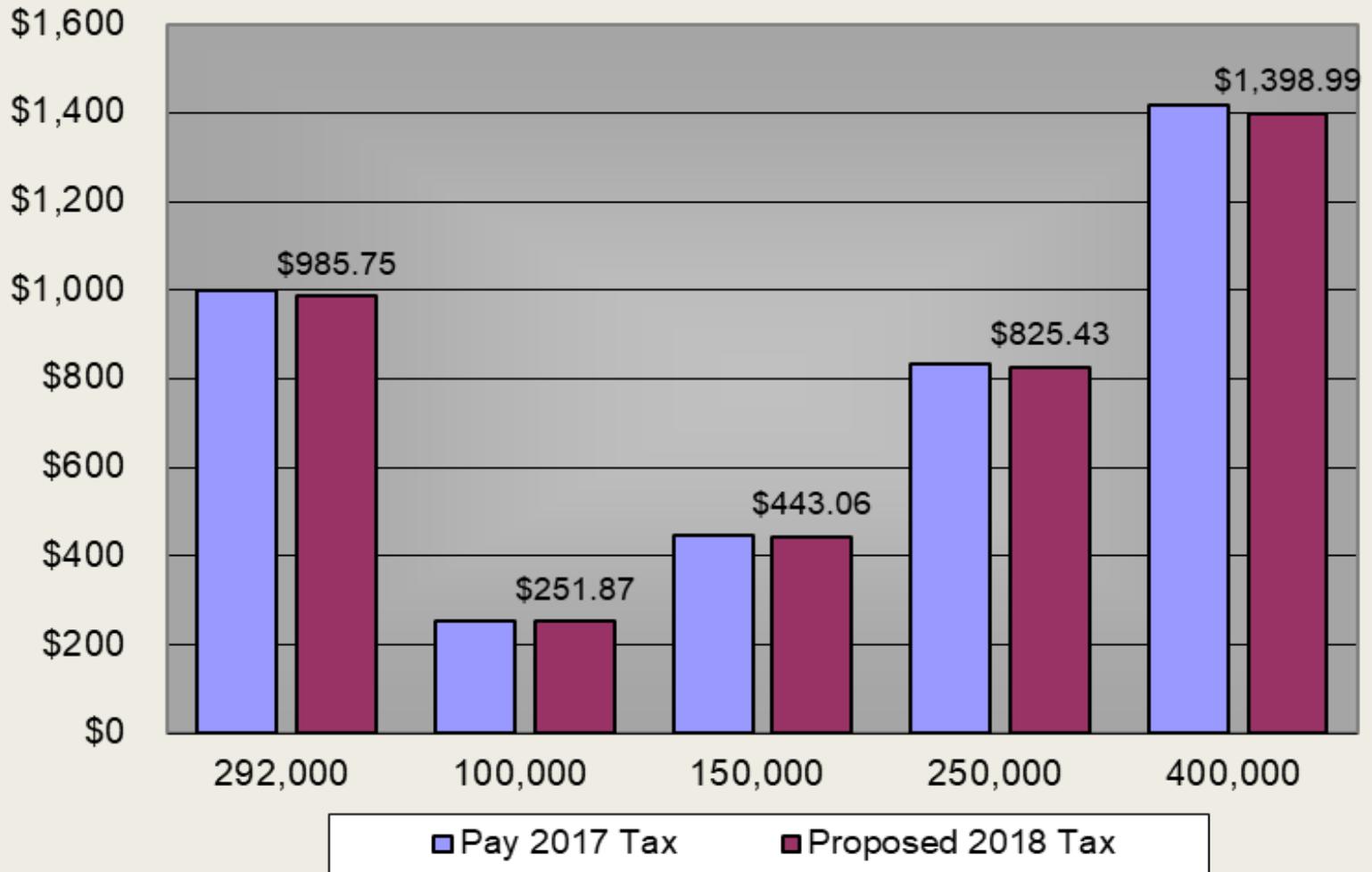
PROPERTY TAX LEVY			
Fund	2016	2017	2018 Proposed
General Fund	\$ 1,498,148	\$ 1,551,300	\$ 1,349,820
Debt Service Fund	\$ 148,582	\$ 116,739	\$ 152,202
Capital Improvement Fund	\$ 30,000	\$ 30,000	\$ -
Equipment Replacement	\$ -	\$ -	\$ 30,000
Local Road Improvement	\$ 581,142	\$ 554,833	\$ 725,050
Economic Development Authority	\$ -	\$ 5,000	\$ 800
Total Levy	\$2,257,872	\$2,257,872	\$2,257,872

TAX LEVY TOTAL AND LEVY PER \$1,000 OF TAXABLE MARKET VALUE

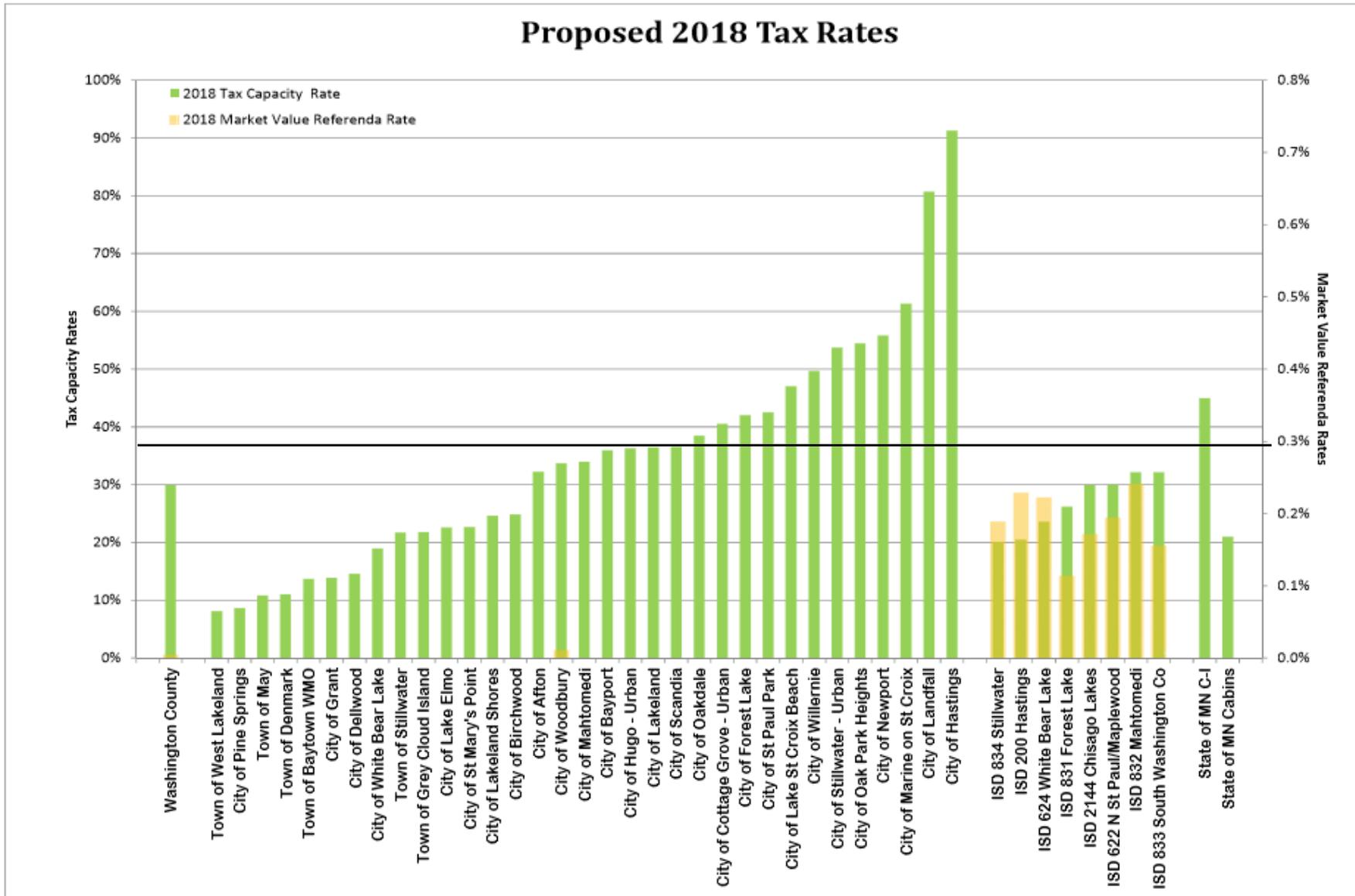


■ Levy Amount	\$2,222,509	\$2,244,336	\$2,257,872	\$2,257,872
■ Levy / \$1,000 of taxable market valuation	\$3.66	\$3.80	\$3.82	\$3.71

Comparison of Taxing District Portion of Tax Pay 2017 vs. 2018



How Does Scandia Compare?



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 2017 vs. Proposed 2018 Tax Rates

Taxing District		Pay 2017 Rate	Proposed 2018 Rate	% Chg
Towns:	Town of Baytown WMO	14.540%	13.726%	-5.6%
	Town of Denmark	11.264%	11.052%	-1.9%
	Town of Grey Cloud Island	22.455%	21.833%	-2.8%
	Town of May	11.108%	10.834%	-2.5%
	Town of Stillwater	22.674%	21.761%	-4.0%
	Town of West Lakeland	7.870%	8.153%	3.6%
Cities:	City of Afton	32.300%	32.258%	-0.1%
	City of Bayport	39.410%	35.967%	-8.7%
	City of Birchwood	24.302%	24.899%	2.5%
	City of Cottage Grove - Urban	43.012%	40.562%	-5.7%
	City of Dellwood	15.102%	14.618%	-3.2%
	City of Forest Lake	43.473%	42.034%	-3.3%
	City of Grant	13.789%	13.915%	0.9%
	City of Hastings	62.518%	91.307%	46.0%
	City of Hugo - Urban	36.360%	36.294%	-0.2%
	City of Lake Elmo	20.018%	22.597%	12.9%
	City of Lake St Croix Beach	47.619%	47.041%	-1.2%
	City of Lakeland	44.213%	36.521%	-17.4%
	City of Lakeland Shores	24.949%	24.653%	-1.2%
	City of Landfall	56.649%	80.743%	42.5%
	City of Mahtomedi	37.580%	33.977%	-9.6%
	City of Marine on St Croix	60.678%	61.373%	1.1%
	City of Newport	60.304%	55.840%	-7.4%
	City of Oak Park Heights	56.143%	54.451%	-3.0%
	City of Oakdale	39.721%	38.470%	-3.1%
	City of Pine Springs	9.110%	8.688%	-4.6%
	City of Scandia	36.594%	36.601%	0.0%
	City of St Mary's Point	24.163%	22.687%	-6.1%
	City of St Paul Park	43.919%	42.552%	-3.1%
	City of Stillwater - Urban	57.322%	53.750%	-6.2%
	City of White Bear Lake	18.969%	18.993%	0.1%
	City of Willernie	48.807%	49.706%	1.8%
	City of Woodbury	35.122%	33.684%	-4.1%
	City of Woodbury	MVR: 0.01187%	0.01112%	-6.4%

Taxing District		Pay 2017 Rate	Proposed 2018 Rate	% Chg
County:	County without Library	27.792%	27.271%	-1.9%
	County with Library	30.448%	29.952%	-1.6%
	County	MVR: 0.00378%	0.00469%	24.0%
	County RRA	0.243%	0.224%	-8.0%
	County CDA	1.475%	1.467%	-0.5%
Schools:	ISD 200 Hastings	20.305%	20.519%	1.1%
	ISD 200 Hastings	MVR: 0.24713%	0.22889%	-7.4%
	ISD 622 N St Paul/Maplewood	33.582%	30.028%	-10.6%
	ISD 622 N St Paul/Maplewood	MVR: 0.21590%	0.19466%	-9.8%
	ISD 624 White Bear Lake	23.476%	23.631%	0.7%
	ISD 624 White Bear Lake	MVR: 0.22996%	0.22258%	-3.2%
	ISD 831 Forest Lake	31.213%	26.217%	-16.0%
	ISD 831 Forest Lake	MVR: 0.12865%	0.11391%	-11.5%
	ISD 832 Mahtomedi	34.093%	32.167%	-5.6%
	ISD 832 Mahtomedi	MVR: 0.25378%	0.24118%	-5.0%
	ISD 833 South Washington Co	34.309%	32.184%	-6.2%
	ISD 833 South Washington Co	MVR: 0.31281%	0.15596%	-50.1%
	ISD 834 Stillwater	20.390%	20.122%	-1.3%
	ISD 834 Stillwater	MVR: 0.19504%	0.18939%	-2.9%
	ISD 2144 Chisago Lakes	24.323%	29.943%	23.1%
	ISD 2144 Chisago Lakes	MVR: 0.17256%	0.17180%	-0.4%
Other:	Brown's Creek WS	5.275%	5.018%	-4.9%
	Carnelian Marine WS	3.150%	3.513%	11.5%
	Comfort Lake WS	5.012%	7.822%	56.1%
	R-W Metro WS	4.067%	3.896%	-4.2%
	Rice Creek WS	2.088%	1.837%	-12.0%
	South Washington WS	0.839%	0.817%	-2.6%
	Valley Branch WS	1.887%	2.322%	23.1%
	Hastings HRA	1.500%	1.453%	-3.1%
	Woodbury HRA	0.276%	0.255%	-7.7%
	Metropolitan Council	0.858%	0.815%	-5.0%
	Met Council Transit	1.307%	1.225%	-6.3%
	Met Mosquito Control	0.463%	0.440%	-5.0%
	State of MN (C/I)	45.802%	45.000%	-1.8%
	State of MN (cabins)	20.845%	21.000%	0.7%
	Fiscal Disparities (C/I)	150.049%	145.095%	-3.3%

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.)