2020 budget and tax levy
Timetable and key events

• Key financial strategies (Spring)
• Amend financial strategies, preliminary budget and goal setting (Summer)
• Department budget meetings (July)
• Budget study session (August 27)
• Adopt preliminary levy (September 10)
• Truth in taxation hearing (November 26)
• Certify final levy (December 10)
Key issues for 2020

• Property taxes – primary funding source
• 2020 budgeted revenues - $1,450,000 of LGA
• Health insurance increases – 10%
• Debt Service Levy 2019A $388,840
• Police and fire personnel cost increases
• Increase of three staff positions
• Reallocation of staff in Admin. Services
• $815,000 rolling stock/equip., $15,000 increase
• Infrastructure needs – Ice Arena, Wood Lake, 65th St
## History of state aid

<table>
<thead>
<tr>
<th>Year</th>
<th>Certified</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-</td>
<td>$2,213,609</td>
<td>$300,000</td>
</tr>
<tr>
<td>2011-</td>
<td>Reduction</td>
<td>$(995,263)</td>
</tr>
<tr>
<td>2012-</td>
<td>$1,218,346</td>
<td>$0</td>
</tr>
<tr>
<td>2013-</td>
<td>$1,218,346</td>
<td>$0</td>
</tr>
<tr>
<td>2014-</td>
<td>$1,937,907</td>
<td>$719,561</td>
</tr>
<tr>
<td>2015-</td>
<td>$2,053,363</td>
<td>$115,456</td>
</tr>
<tr>
<td>2016-</td>
<td>$2,084,057</td>
<td>$ 30,694</td>
</tr>
<tr>
<td>2017-</td>
<td>$2,094,443</td>
<td>$ 10,386</td>
</tr>
<tr>
<td>2018-</td>
<td>$2,229,280</td>
<td>$137,837</td>
</tr>
<tr>
<td>2019-</td>
<td>$2,235,643</td>
<td>$ 6,363</td>
</tr>
<tr>
<td>2020-</td>
<td>$2,353,353</td>
<td>$117,710</td>
</tr>
</tbody>
</table>
Revenue comparison

Taxes & Intergovernmental Revenue - GF

- In 2001 Taxes = 38% Intergovernmental Revenue = 39%
- In 2020 Taxes = 68% Intergovernmental Revenue = 10%
LGA comparison

- Local Government Aid (LGA)
  - 2019 LGA is 4.96% of General Fund Revenues
  - 2020 LGA is 5.70% of General Fund Revenues
  - In 2001 LGA accounted for 24% of GF Revenues
2020 proposed gross levy

• 2020 Gross Levy is $22,687,471
  – Increase of 4.90% over the 2019 Levy

• General Fund Levy $17,486,394

• Equipment Levy $ 815,000

• EDA Levy $ 553,985
  – Base Levy Total $18,855,379

• Debt Service Levy $ 3,478,690

• Tax Abatement Levy $ 353,402
  – Total 2020 Levy $22,687,471 - 4.90%
## 2020 Tax levy comparison

<table>
<thead>
<tr>
<th>Location</th>
<th>Levy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Valley</td>
<td>3.91%</td>
</tr>
<tr>
<td>St. Anthony Village</td>
<td>4.08%</td>
</tr>
<tr>
<td>Mounds View</td>
<td>4.63%</td>
</tr>
<tr>
<td>St. Paul</td>
<td>4.85%</td>
</tr>
<tr>
<td><strong>Richfield</strong></td>
<td><strong>4.90%</strong></td>
</tr>
<tr>
<td>Maplewood</td>
<td>5.00%</td>
</tr>
<tr>
<td>North St. Paul</td>
<td>5.00%</td>
</tr>
<tr>
<td>Shoreview</td>
<td>5.45%</td>
</tr>
<tr>
<td>Roseville</td>
<td>5.50%</td>
</tr>
<tr>
<td>St. Louis Park</td>
<td>5.60%</td>
</tr>
<tr>
<td>Shakopee</td>
<td>5.98%</td>
</tr>
<tr>
<td>Brooklyn Center</td>
<td>6.00%</td>
</tr>
<tr>
<td>Inver Grove Heights</td>
<td>7.00%</td>
</tr>
<tr>
<td>Cottage Grove</td>
<td>7.77%</td>
</tr>
<tr>
<td>White Bear Lake</td>
<td>8.90%</td>
</tr>
<tr>
<td>New Brighton</td>
<td>9.16%</td>
</tr>
<tr>
<td>Oak Park Heights</td>
<td>9.23%</td>
</tr>
</tbody>
</table>
Gross tax levy history

- 2020 - $22,687,471 - 4.90% increase
- 2019 - $21,626,692 - 4.87% increase
- 2018 - $20,621,911 - 6.11% increase
- 2017 - $19,434,690 - 3.26% increase
- 2016 - $18,820,576 - 2.91% increase
- 2015 - $18,288,524 - 1.53% increase
- 2014 - $18,012,303 - 1.51% increase
- 2013 - $17,744,951 - 4.50% increase
- 2012 - $16,980,700 - 3.98% increase
- 2011 - $16,330,041 - 6.82% increase
- 2010 - $15,288,021 - 6.88% increase
Tax levy

• What would the tax levy be if there was no debt service levy for Series 2019A bonds?
  – **Answer: 3.11%**

• Prior to 2008 there were no debt service tax levies
2020 proposed General Fund budget

• The 2020 proposed General Fund of $25,438,820 is a(n):
  – 4.99% increase from the 2019 adopted budget
  – 5.07% increase from the 2019 revised budget
## General Fund revenues

<table>
<thead>
<tr>
<th></th>
<th>2019A</th>
<th>2019R</th>
<th>2020P</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes</strong></td>
<td>$16,549,150</td>
<td>$16,549,150</td>
<td>$17,311,530</td>
</tr>
<tr>
<td><strong>Licenses and permits</strong></td>
<td>1,066,100</td>
<td>1,701,500</td>
<td>1,106,600</td>
</tr>
<tr>
<td><strong>Intergovernmental</strong></td>
<td>2,413,850</td>
<td>2,447,540</td>
<td>2,646,600</td>
</tr>
<tr>
<td><strong>Charges for services</strong></td>
<td>2,210,420</td>
<td>2,551,370</td>
<td>2,337,800</td>
</tr>
<tr>
<td><strong>Fines and forfeitures</strong></td>
<td>330,000</td>
<td>310,000</td>
<td>325,000</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>110,550</td>
<td>96,800</td>
<td>108,080</td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
<td>1,550,550</td>
<td>555,240</td>
<td>1,603,210</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,230,620</strong></td>
<td><strong>$24,211,600</strong></td>
<td><strong>$25,438,820</strong></td>
</tr>
</tbody>
</table>
2020 (2019) proposed budget
General Fund revenues

- **Taxes**: 68% (68%)
- **Intergov’l Revenue**: 10% (10%)
- **License/Permits**: 4% (4%)
- **Charges for Service**: 9% (9%)
- **Fines/Forfeits**: 2% (2%)
- **Misc./Trans**: 7% (7%)
2020 (2010) proposed budget
General Fund revenues

- **Taxes**: 68% (66%)
- **Intergov’l Revenue**: 10% (11%)
- **Charges for Service**: 9% (5%)
- **License/Permits**: 4% (4%)
- **Misc./Trans.**: 7% (12%)
- **Fines/Forfeits**: 2% (2%)
General Fund expenditures

<table>
<thead>
<tr>
<th>Service</th>
<th>2019P</th>
<th>2019R</th>
<th>2020P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative/Executive</td>
<td>$ 928,660</td>
<td>$ 866,050</td>
<td>$ 927,410</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>746,390</td>
<td>856,240</td>
<td>961,630</td>
</tr>
<tr>
<td>Finance</td>
<td>657,700</td>
<td>649,850</td>
<td>673,000</td>
</tr>
<tr>
<td>Public Safety</td>
<td>9,516,580</td>
<td>9,507,900</td>
<td>9,847,770</td>
</tr>
<tr>
<td>Fire</td>
<td>4,441,800</td>
<td>4,467,460</td>
<td>4,850,230</td>
</tr>
<tr>
<td>Community Development</td>
<td>1,574,280</td>
<td>1,576,100</td>
<td>1,629,150</td>
</tr>
<tr>
<td>Public Works</td>
<td>4,187,140</td>
<td>4,106,440</td>
<td>4,299,810</td>
</tr>
<tr>
<td>Recreation Services</td>
<td>1,968,070</td>
<td>1,971,560</td>
<td>2,029,820</td>
</tr>
<tr>
<td>Transfers</td>
<td>210,000</td>
<td>210,000</td>
<td>220,000</td>
</tr>
<tr>
<td></td>
<td><strong>$24,230,620</strong></td>
<td><strong>$24,211,600</strong></td>
<td><strong>$25,438,820</strong></td>
</tr>
</tbody>
</table>
2020 (2019) proposed budget
General Fund expenditures

- Public Safety: 39% (39%)
- Fire: 19% (19%)
- Transfers: 1% (1%)
- Recreation: 8% (8%)
- Public Works: 17% (17%)
- Comm. Devel.: 6% (6%)
- 2% (3%)
- Finance Leg/Exc.: 4% (4%)
- Admin. Service: 4% (3%)
2020 proposed budget
General Fund expenditures

Public Safety/Public Works/Fire = 75%($18,997,810)

Total General Fund Tax Levy = $17,311,530
2010/2020 expenditure profile

Public Safety & Fire

- 55%
- 21%
- 6%
- 4%
- 6%
- 8%

Public Works

- 1%
- 4%
- 6%
- 2%
- 4%
- 8%
- 17%
- 58%
- 55%
General Fund history

Average increase of 3.03%
Full-time regular personnel

199 Full-Time Budgeted Positions

- 3 new positions in 2019
- 3 new positions in 2020
2020 proposed levy estimated impact

- $250,000 property
  - City Portion - Tax 2019: $1,331.85
  - City Portion - Tax 2020: $1,341.08
  - City Portion - Tax 2020 (5.2% env): $1,410.81
  - $9.23 increase or $.77 per month in City property tax portion with no change in Market Value
  - $78.96 increase or $6.58 per month in City property tax portion with estimated 5.2% increase in Market Value
2020 proposed budget

• 2020 Capital Improvement Budget
  – Total 2020 budget - $12,845,000
  – Major projects include:
    • Continuation 66th Street
    • Ice Arena Refrigeration Project
    • Mill and Overlay Project
    • Utility Projects
    • Recreation Projects
2020 proposed budget

- Rolling Stock/Equipment - Purchases 2020
  - Total Cost of Equipment > $1,000,000
  - General Tax Levy only $815,000
  - Central Garage and IT Cash Flow Transfers In
  - Dump Truck
  - Two Sidewalk Plows
  - Three Detective Hybrid Vehicles
  - Two Interceptor Squads
  - Computer Network Infrastructure & Equipment
Where are we going?

- Significant ROW Projects – Debt Funding
- Recreation Infrastructure Needs
- Pressure on Tax Levy – Debt Service
- Richfield must continue a long-term strategy for economic independence
  - LGA Independence – Pressure to Maintain
  - Long-term financial planning
- Maintain current level of quality service
- Contain operating costs