



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

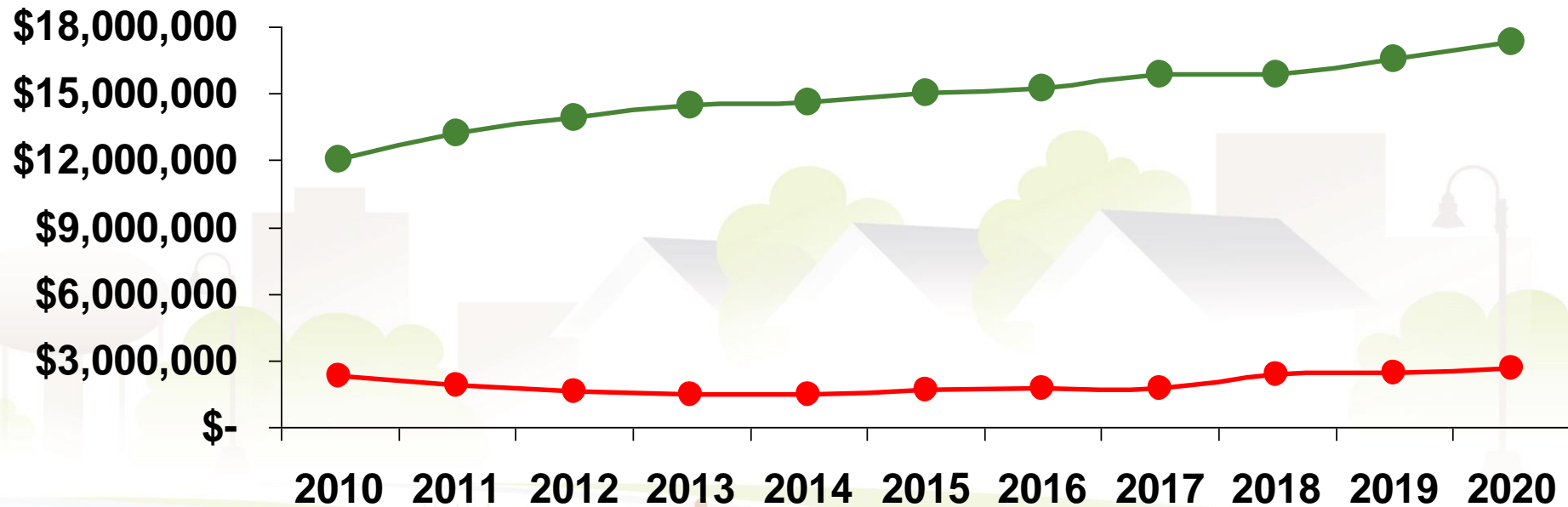
History of state aid

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

Revenue comparison

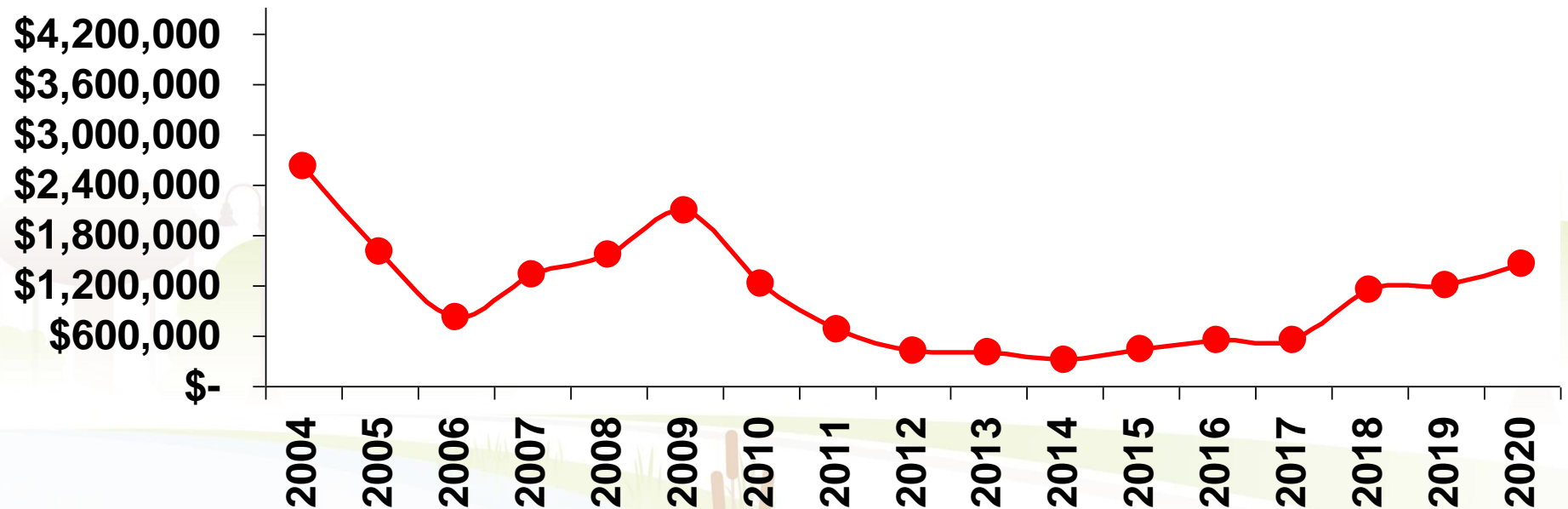
Taxes & Intergovernmental Revenue - GF

- 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



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

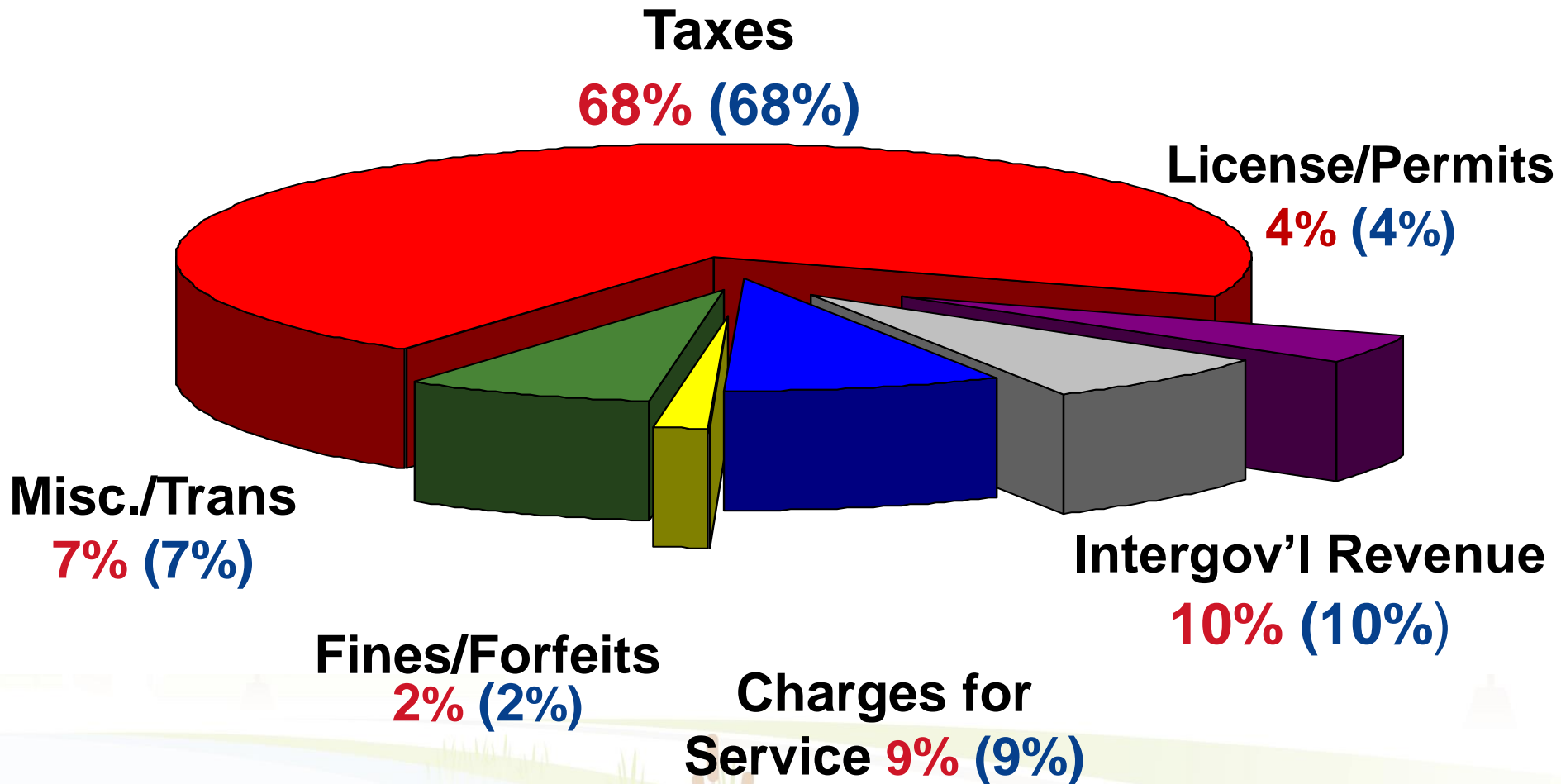
- The 2020 proposed General Fund of \$25,438,820 is a(n):
 - 4.99% increase from the 2019 adopted budget
 - 5.07% increase from the 2019 revised budget



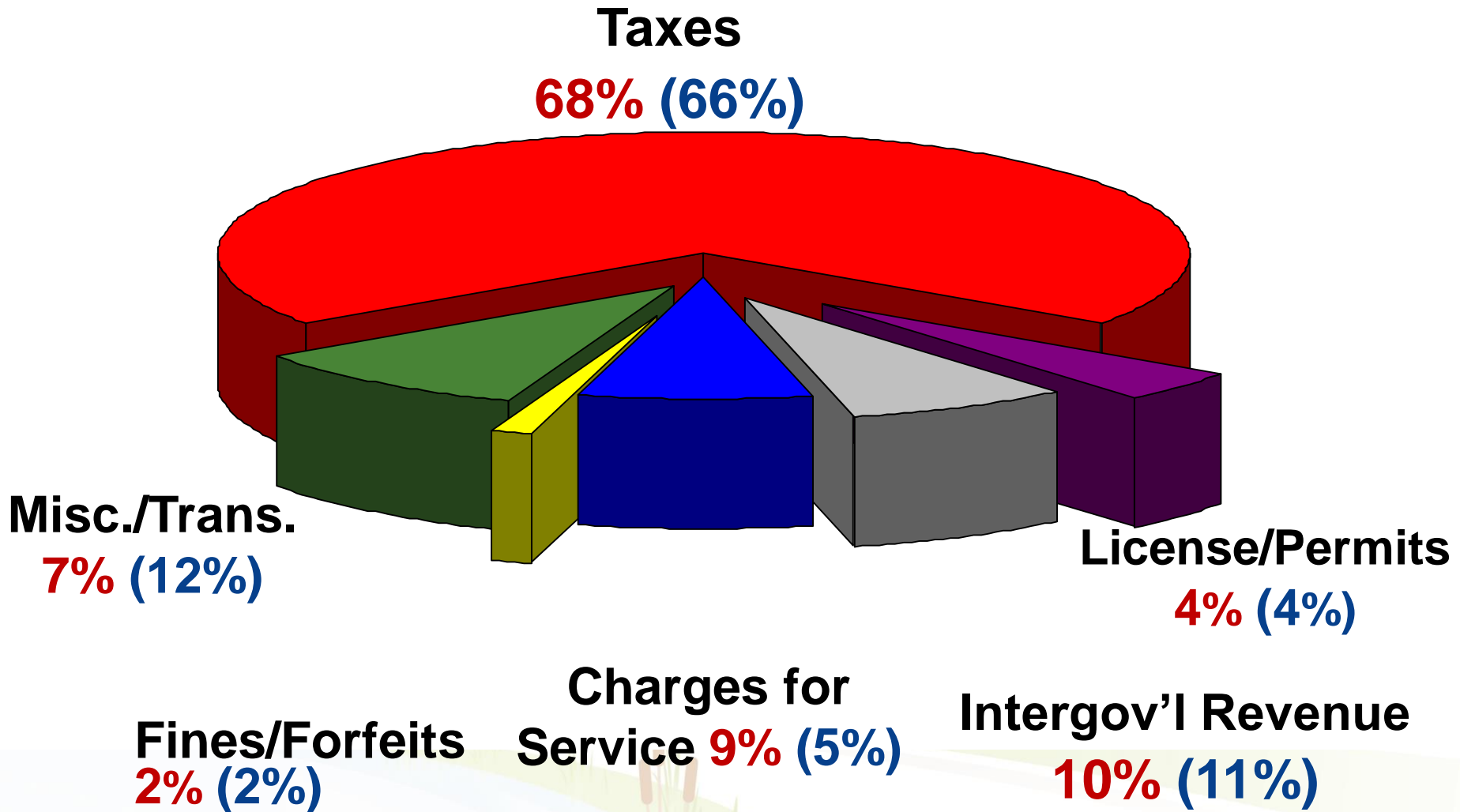
General Fund revenues

	<u>2019A</u>	<u>2019R</u>	<u>2020P</u>
Taxes	\$16,549,150	\$16,549,150	\$17,311,530
Licenses and permits	1,066,100	1,701,500	1,106,600
Intergovernmental	2,413,850	2,447,540	2,646,600
Charges for services	2,210,420	2,551,370	2,337,800
Fines and forfeitures	330,000	310,000	325,000
Miscellaneous	110,550	96,800	108,080
Transfers	1,550,550	555,240	1,603,210
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	\$24,230,620	\$24,211,600	\$25,438,820

2020 (2019) proposed budget General Fund revenues



2020 (2010) proposed budget General Fund revenues



General Fund expenditures

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

2020 (2019) proposed budget General Fund expenditures

Public Safety

39% (39%)

Fire

**19%
(19%)**

Transfers

1% (1%)

4% (3%)

**Admin.
Service**

4% (4%)

2% (3%)

Finance Leg/Exc.

6% (6%)

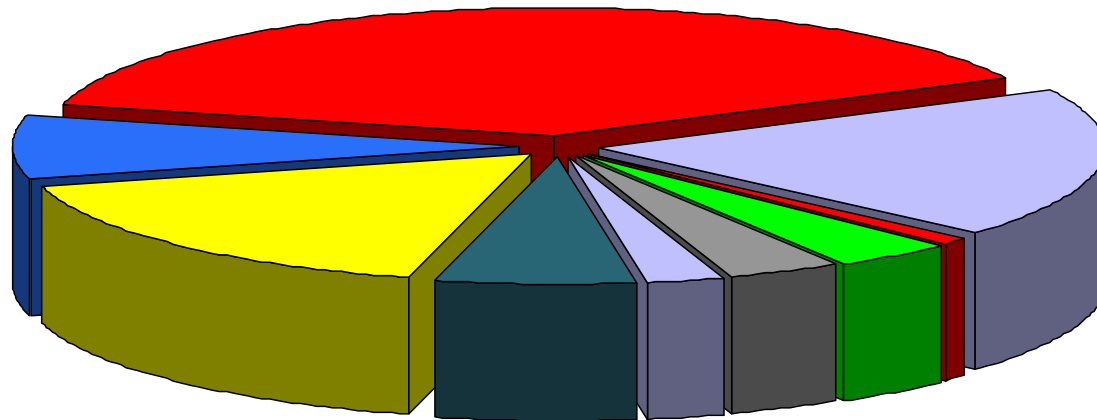
**Comm.
Devel.**

17% (17%)

Public Works

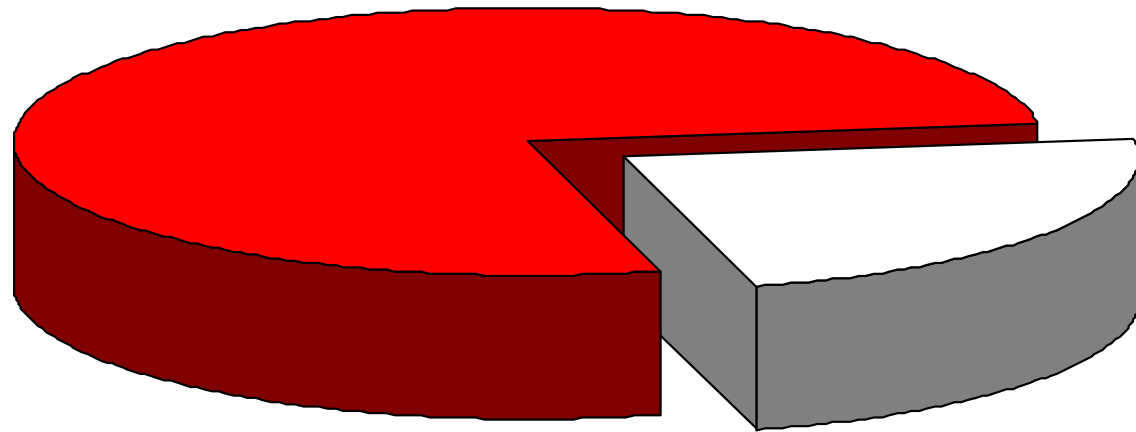
Recreation

8% (8%)



2020 proposed budget General Fund expenditures

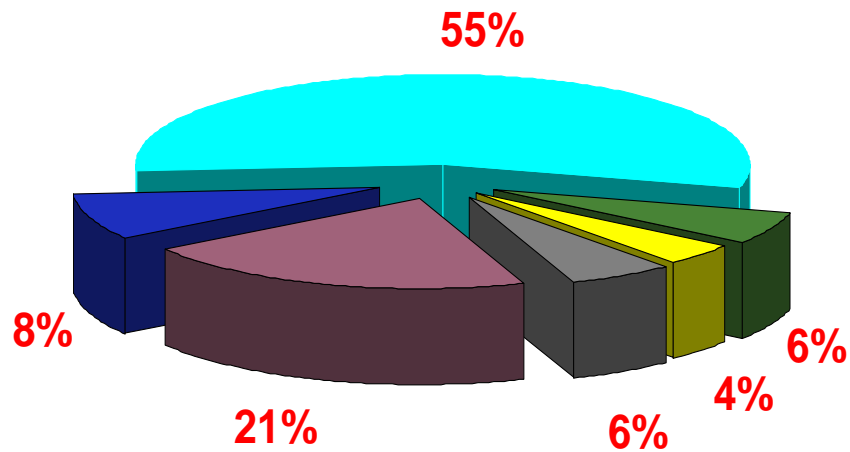
Public Safety/Public Works/Fire = 75%(\$18,997,810)



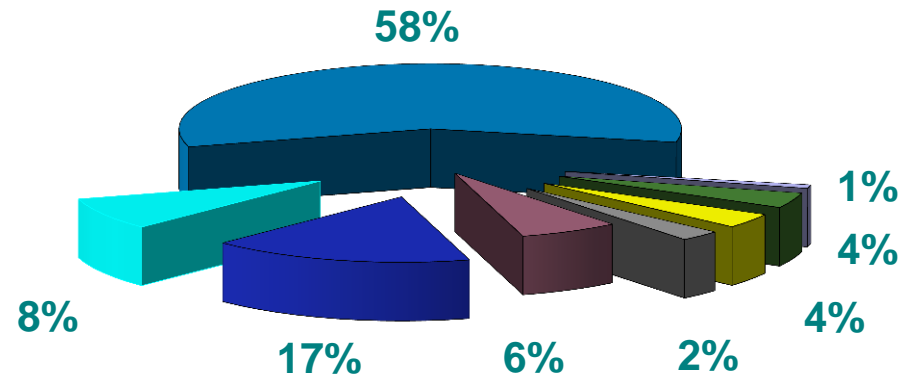
Total General Fund Tax Levy = \$17,311,530

2010/2020 expenditure profile

Public Safety & Fire



Public Safety & Fire

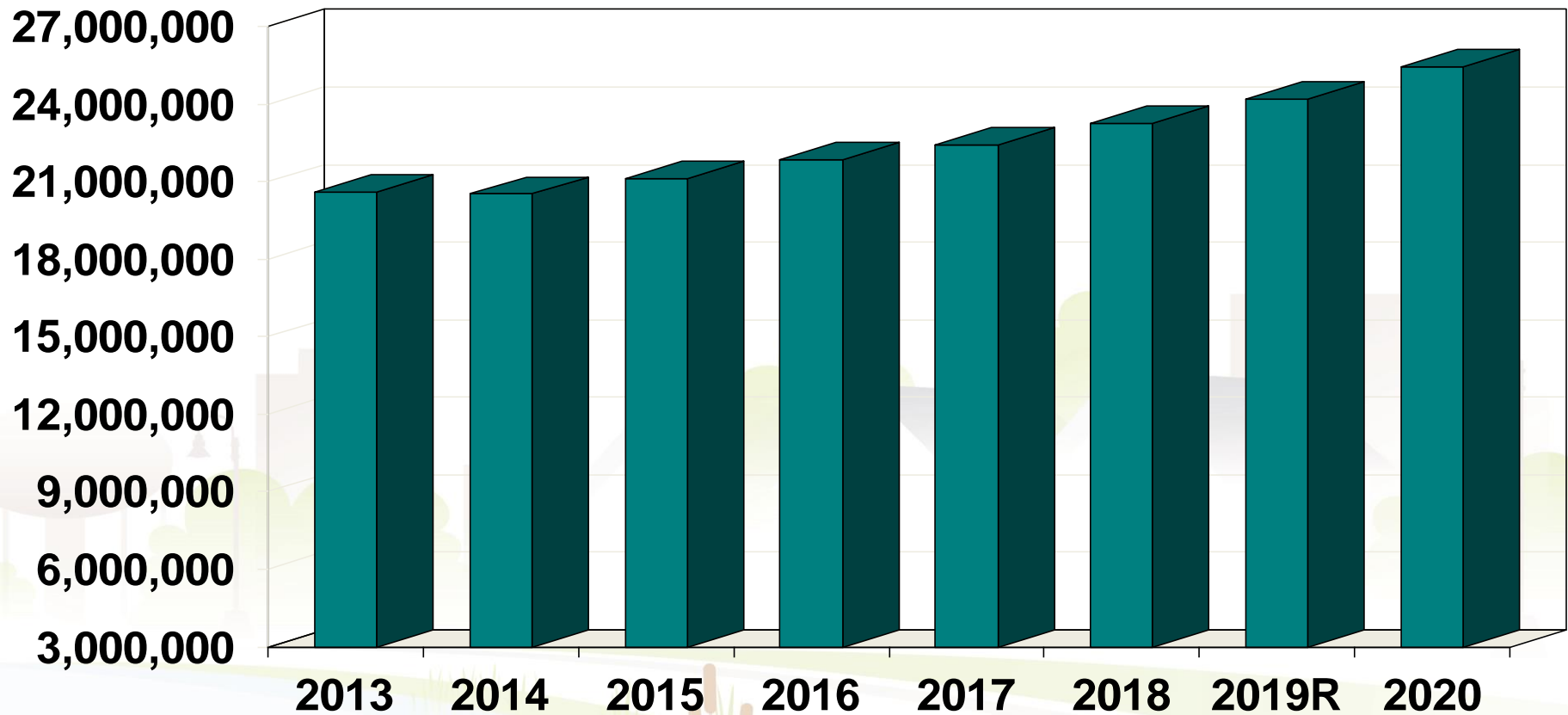


Public Works

Public Works

General Fund history

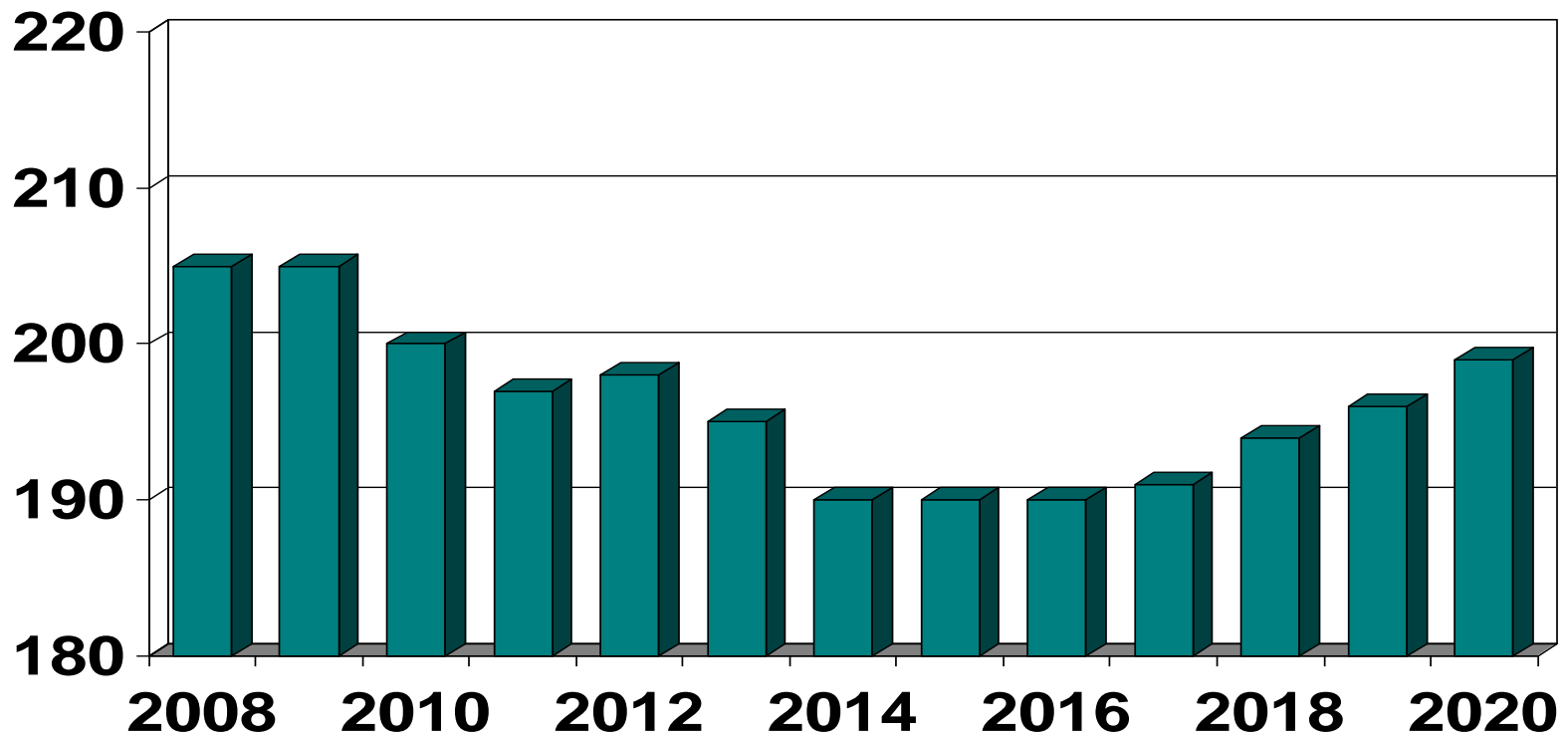
Average increase of 3.03%



Full-time regular personnel

199 Full-Time Budgeted Positions

- 3 new positions in 2019
- 3 new positions in 2020

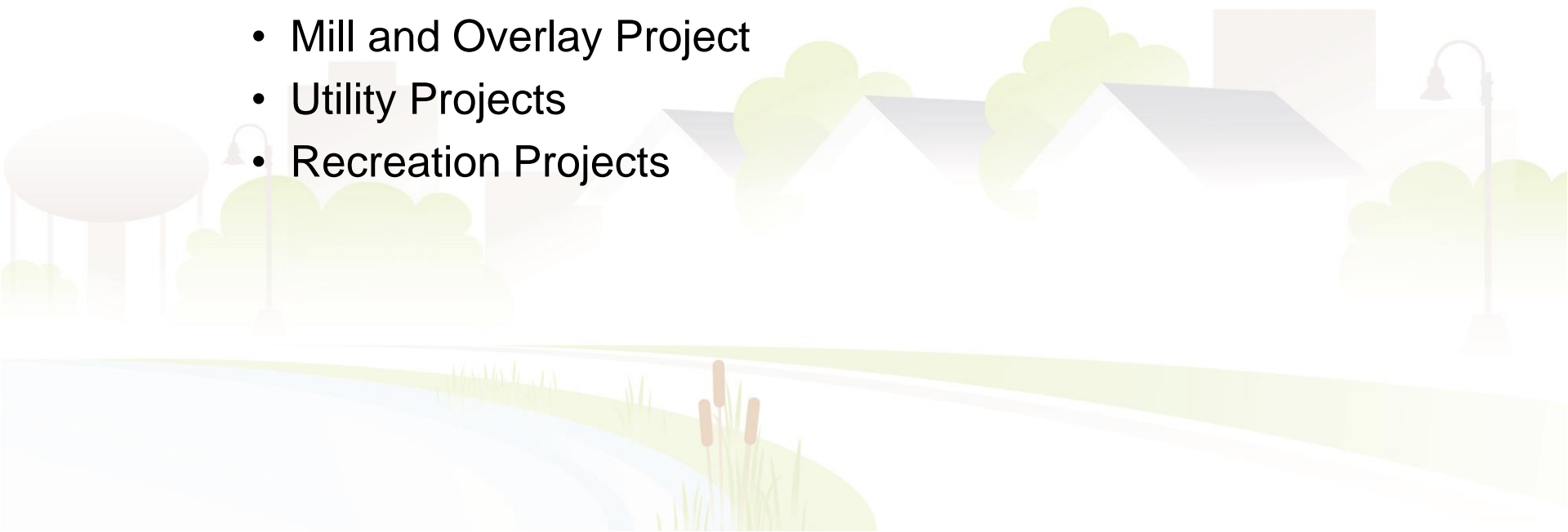


2020 proposed levy estimated impact


- \$250,000 property
 - City Portion - Tax 2019 \$1,331.85
 - City Portion - Tax 2020 \$1,341.08
 - City Portion - Tax 2020 (5.2% emv) \$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
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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