

# City of Brooklyn Center 2020 Preliminary Levy & Budget



City Council Meeting, September 23, 2019  
Nate Reinhardt, Finance Director

# Property Tax Levy

	2019	2020	Change	% Impact
General Levy	\$16,968,997	\$17,957,263	\$988,266	5.36%
Abatement Levy – Embassy Suites	66,000	95,000	29,000	0.16%
Debt Service Levy – Improvements	1,392,119	1,457,047	64,928	0.35%
Total City Levy	<b><u>\$18,427,116</u></b>	<b><u>\$19,509,310</u></b>	<b><u>\$1,082,194</u></b>	<b><u>5.87%</u></b>
HRA Levy	<b><u>\$380,098</u></b>	<b><u>\$413,335</u></b>	<b><u>\$33,237</u></b>	<b><u>8.74%</u></b>

Note: A property tax levy increase/decrease of 1% is approximately \$184,000



# Levy Increase Breakdown

Description	\$ Amount Requested (7/29/19)	\$ Amount Recommended (9/16/19)	Levy Impact %
Debt Service (2019 Proposed Bond Issue)	\$78,623	\$64,928	0.35%
Impact of revenue adjustments	(310,154)	(360,154)	(-1.95%)
Increase in contingency (\$175k budgeted)	75,000	50,000	0.27%
Increase needed to <u>maintain operations</u> (3.9%):			
Personnel	777,475	700,992	3.80%
Supplies/Services/Charges	393,676	66,316	0.36%
Capital outlay	(47,950)	(47,950)	(-.26%)
Increase for <u>requested advancements</u> (3.30%):			
Personnel	634,324	354,812	1.93%
Supplies/Services/Charges	404,590	227,750	1.24%
Capital outlay	71,500	25,500	0.14%
<b><i>Requested Preliminary Levy</i></b>	<b><i>\$2,077,084</i></b>	<b><i>\$1,082,194</i></b>	<b><i>5.87%</i></b>



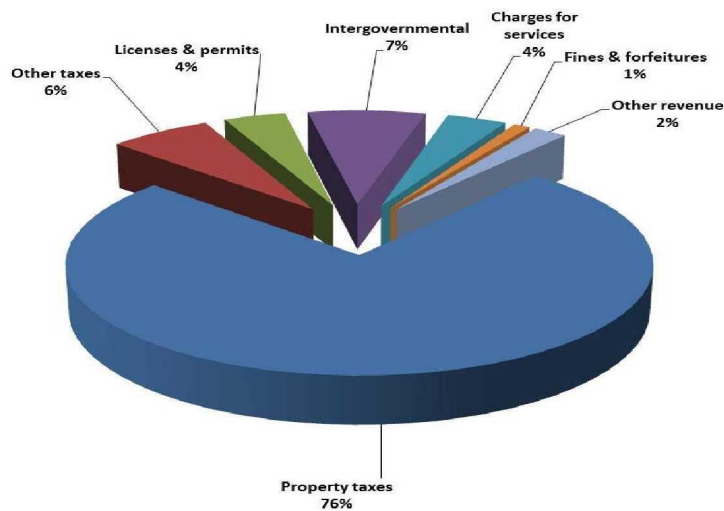
# General Fund Revenues

Description	2019 Budget	2020 Budget	Change
Taxes	\$18,380,591	\$19,547,857	\$1,167,266
Licenses & Permits	861,315	1,075,001	213,686
Intergovernmental Revenue	1,634,150	1,813,781	179,631
Charges for Services	834,650	790,150	(44,500)
Fines & Forfeits	231,500	246,500	15,000
Miscellaneous Revenue	324,363	320,700	(3,663)
Other Financing Sources	<u>150,000</u>	<u>0</u>	<u>(150,000)</u>
Total General Fund Revenues	\$22,416,569	\$23,793,989	\$1,377,420

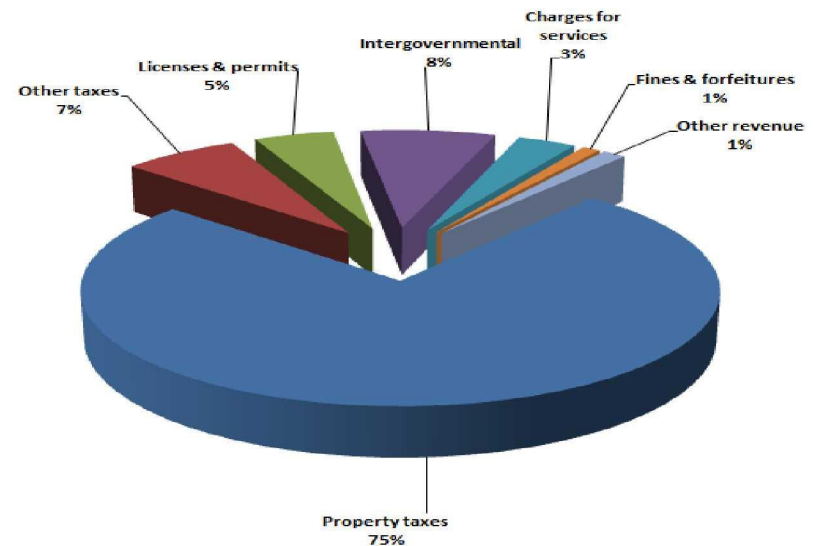


# General Fund Revenues by Source

2019 Budget



2020 Budget



# General Fund Expenses by Function

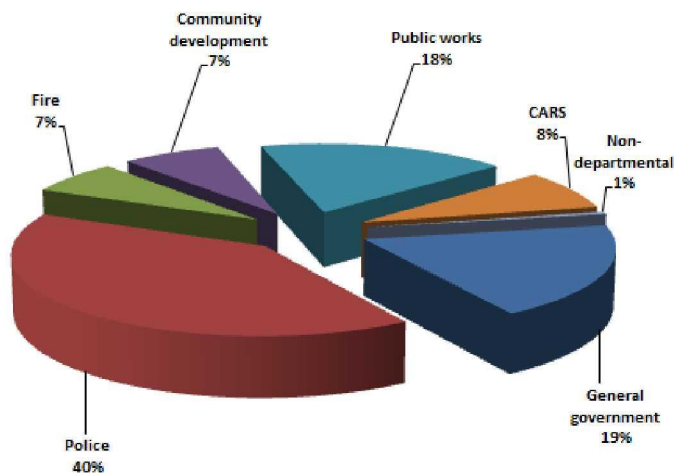
Description	2019 Budget	2020 Budget	Change
General Government	\$4,262,386	\$4,697,820	\$435,434
Police	9,047,255	9,484,284	437,029
Fire & Emergency Mgmt.	1,528,516	1,568,294	39,778
Community Development	1,597,160	1,759,523	162,363
Public Works	4,059,089	4,187,070	127,981
CARS	1,813,072	1,886,524	73,452
Joint Powers	187,000	187,000	-
Central Supplies	400,753	488,200	87,447
Vacancy & Turnover Savings	(350,000)	(350,000)	-
Miscellaneous	<u>(128,662)</u>	<u>(114,726)</u>	<u>13,936</u>
Total General Fund Expense	\$22,416,569	\$23,793,989	\$1,377,420



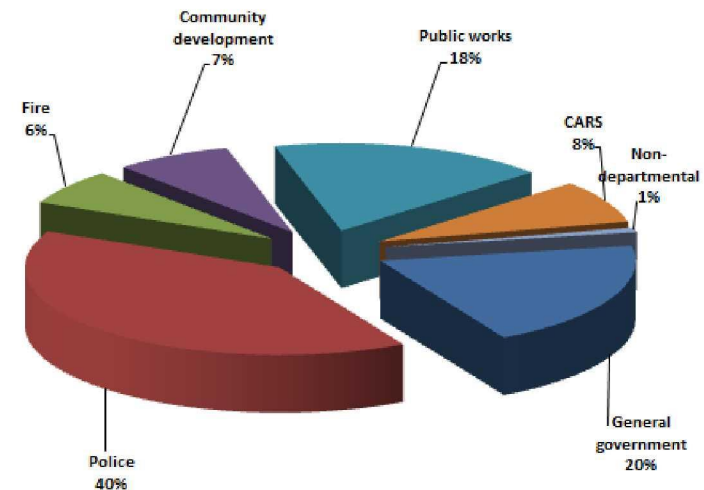


# General Fund Expenses by Function

2019 Budget



2020 Budget



# General Fund Expenses by Object

Description	2019 Budget	2020 Budget	Change
Wages & Benefits	\$15,779,144	\$16,834,948	\$1,055,804
Supplies	734,615	699,555	(35,060)
Charges & Services	6,793,014	7,172,140	379,126
Capital Outlay	47,950	25,500	(22,450)
Administrative/Engineering Exp. Reimbursements	(1,148,154)	(1,148,154)	-
Transfers Out	<u>210,000</u>	<u>210,000</u>	<u>-</u>
Total General Fund Expense	\$22,416,569	\$23,793,989	\$1,377,420

## 2020 Budget Advancements Include:

- Full-time associate planner
- Full-time community engagement specialist (previously part-time)
- Full-time human resource development specialist (previously part-time)
- Part-time housing inspector
- New Software (IMS property permitting/licensing, NeoGov HR software, Novus agenda software, Polco community survey software)
- Government buildings security audit
- Neighborhood grant program





# 2020 Staffing Requests

## Associate Planner (Community Development)

- Assist City Planning and Business and Workforce Development Specialist with day-to-day tasks, zoning administration, permit review, and special projects related to accomplishing strategic initiatives and policy directives.
- Will allow additional time for City Planner and Workforce Development Specialist to focus on core functions related to forwarding strategic priorities.
- Initiated by increase in pipeline of development projects, can be partially funded by EDA on an interim basis.

## Part-time Housing/Code Enforcement Inspector (Community Development)

- Ongoing high demand for housing inspections – consistently 3-4 weeks out for inspection scheduling.
- Routinely pulling Building Inspector off their duties to fill in, which draws away from building plan review and permit inspections time.
- Longest serving Housing/Code Enforcement Inspector has indicated their desire for part-time or retirement – this position would allow them an opportunity to train their successors and pass on their vast knowledge and experience.

## Community Engagement Specialist (Administration)

- Position will be converted from a part-time to full-time position.
- This position will design, plan and coordinate City engagement efforts.
- Will plan and coordinate the work of Neighborhood Liaisons.

## Human Resource Development Specialist (Administration)

- Position will be converted from a part-time to full-time position.
- This position will develop and lead City-wide training and development at all levels (i.e., general staff, supervisors and managers).
- Will lead and coordinate City Inclusion & Diversity efforts.
- This position will support general Human Resource daily operations.

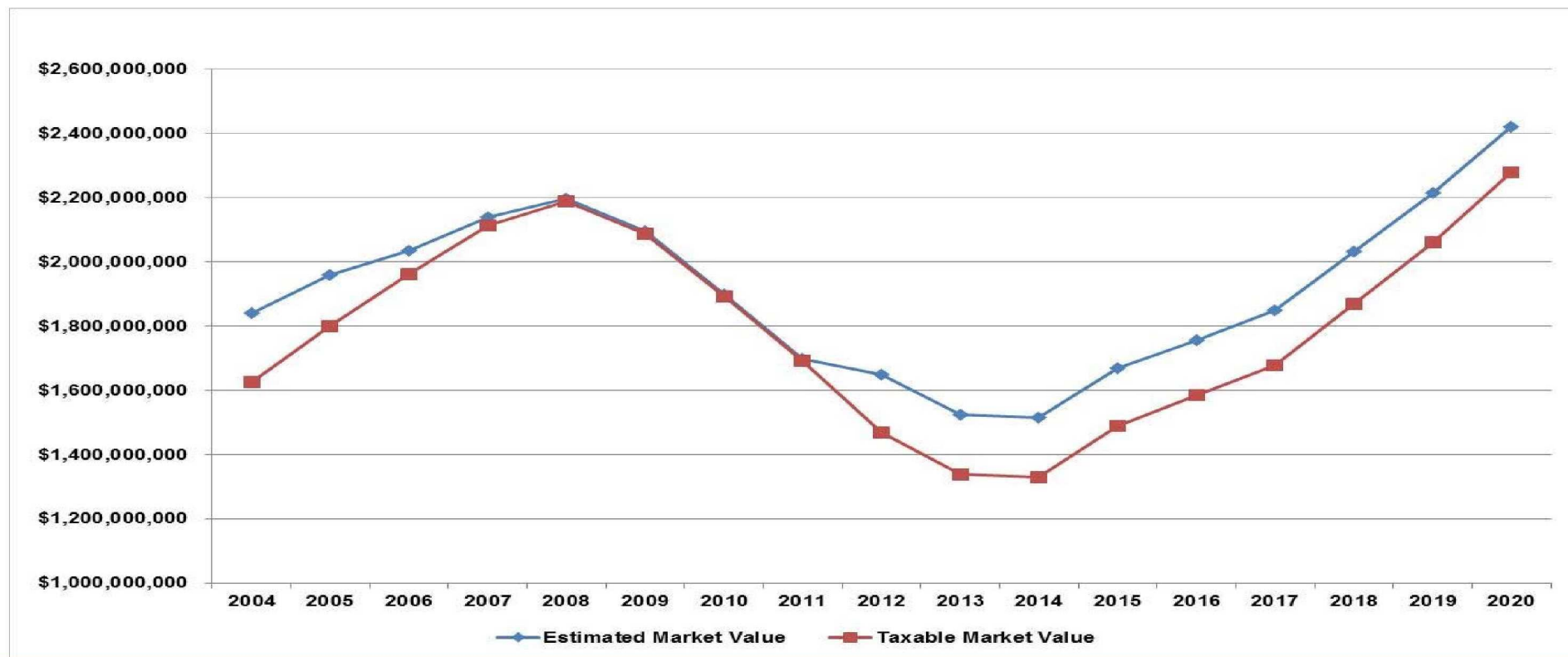


# Taxable Market Value (preliminary estimates)

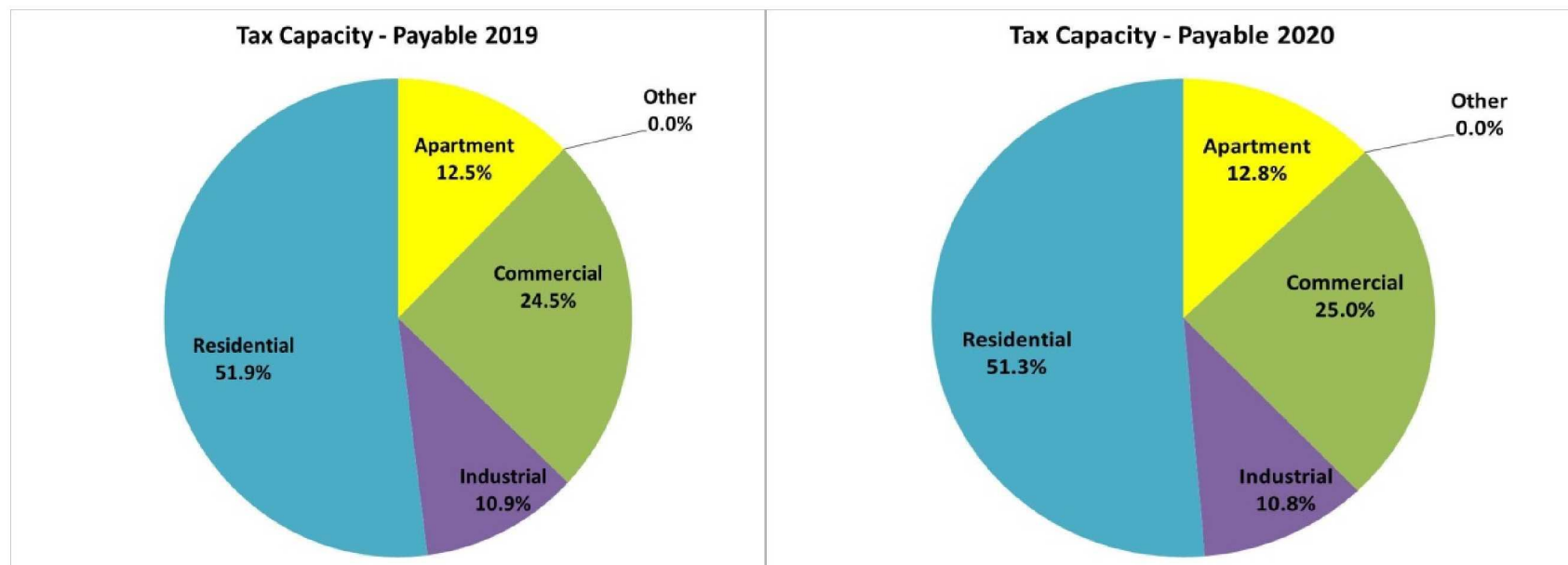
Class	Payable 2019	Estimated 2020	Change
Commercial	\$318,811,800	\$359,740,500	12.8%
Industrial	140,570,900	154,992,500	10.3%
Residential	1,325,191,354	1,450,835,196	9.5%
Apartment	275,022,304	311,518,030	13.3%
Other	<u>478,000</u>	<u>507,000</u>	6.1%
Totals	\$2,060,074,358	\$2,277,593,226	10.6%



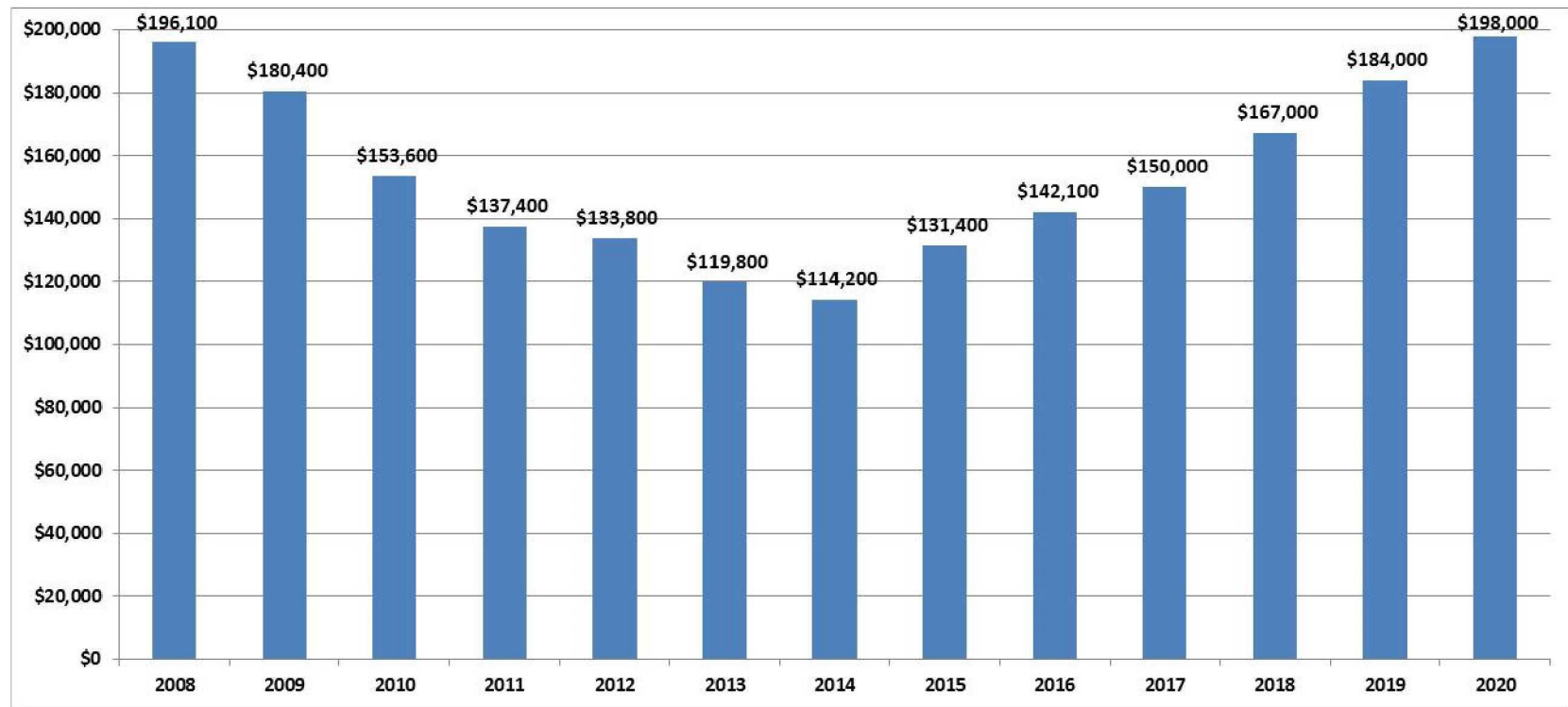
# Taxable Market Value



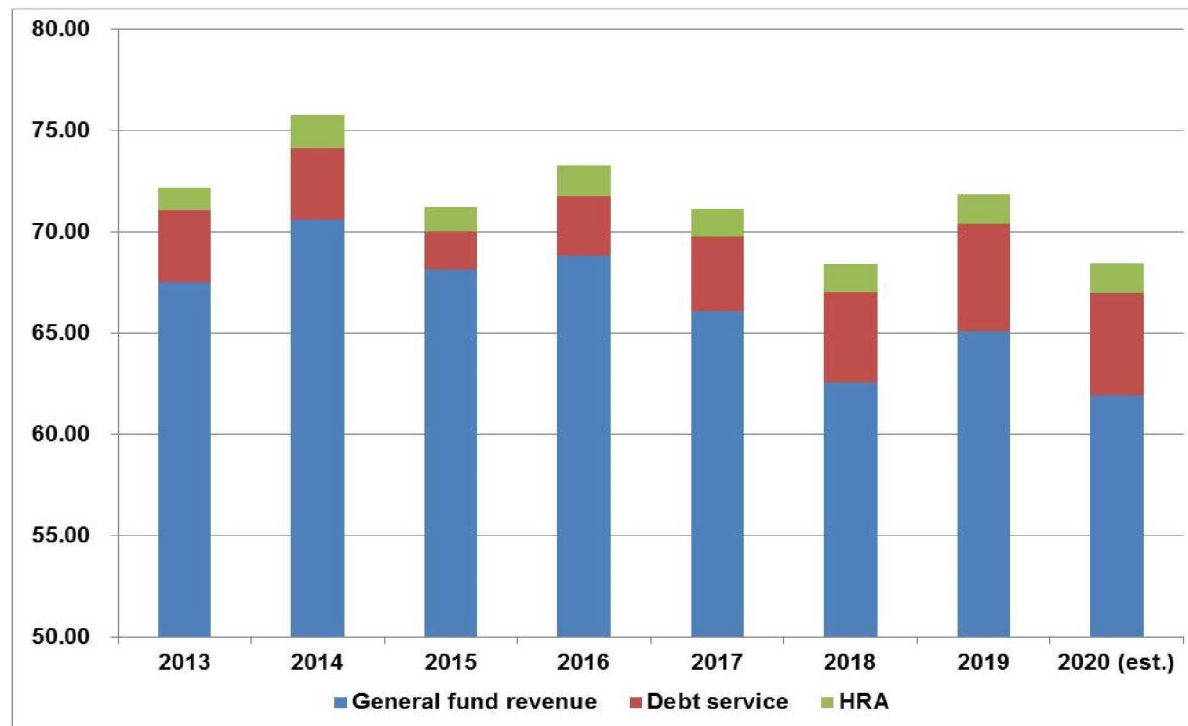
# Tax Capacity Estimates



# Median Value Home



# City Property Tax Rates





# Projected Property Tax Impacts

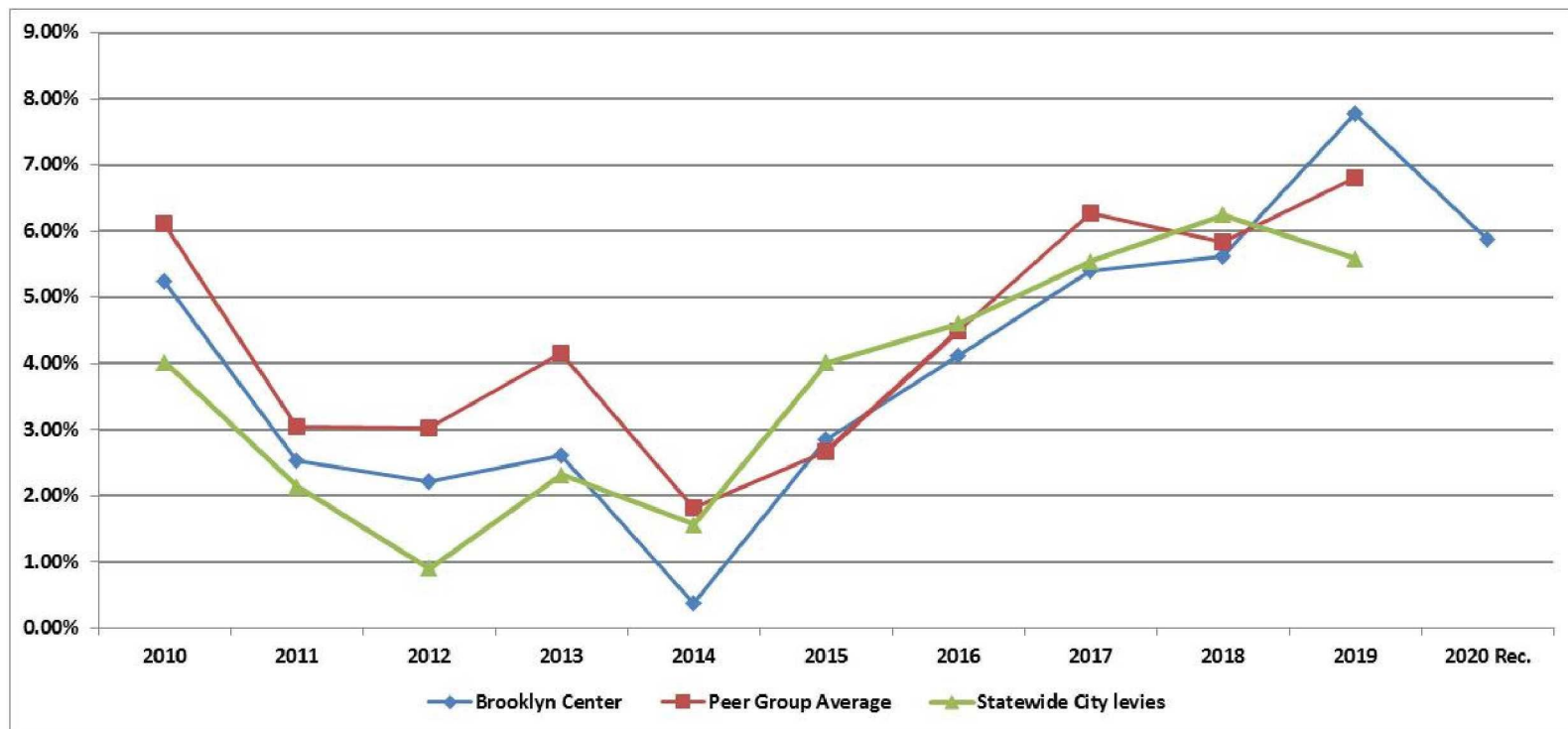
Property Tax Changes (Based on 5.87% Levy Increase & Market Value Changes)										
	2019	2020								
	Taxable	Taxable			2019	2019	2020	2020		
	Market	Market	\$	%	Tax	City	Tax	City	\$	%
Classification*	Value	Value	Change	Change	Rate	Taxes	Rate	Taxes	Change	Change
Single Family Residential	\$ 163,320	\$ 178,580	\$ 15,260	9.34%	71.860	\$ 1,174	69.024	\$ 1,233	\$ 59	5.03%
Multi Family Residential	\$ 2,200,000	\$ 2,491,942	\$ 291,942	13.27%	71.860	\$ 19,762	69.024	\$ 21,501	\$ 1,739	8.80%
Commercial	\$ 1,700,000	\$ 1,918,244	\$ 218,244	12.84%	71.860	\$ 23,894	69.024	\$ 25,963	\$ 2,070	8.66%
Industrial	\$ 1,900,000	\$ 2,094,927	\$ 194,927	10.26%	71.860	\$ 26,768	69.024	\$ 28,402	\$ 1,634	6.11%

## Notes:

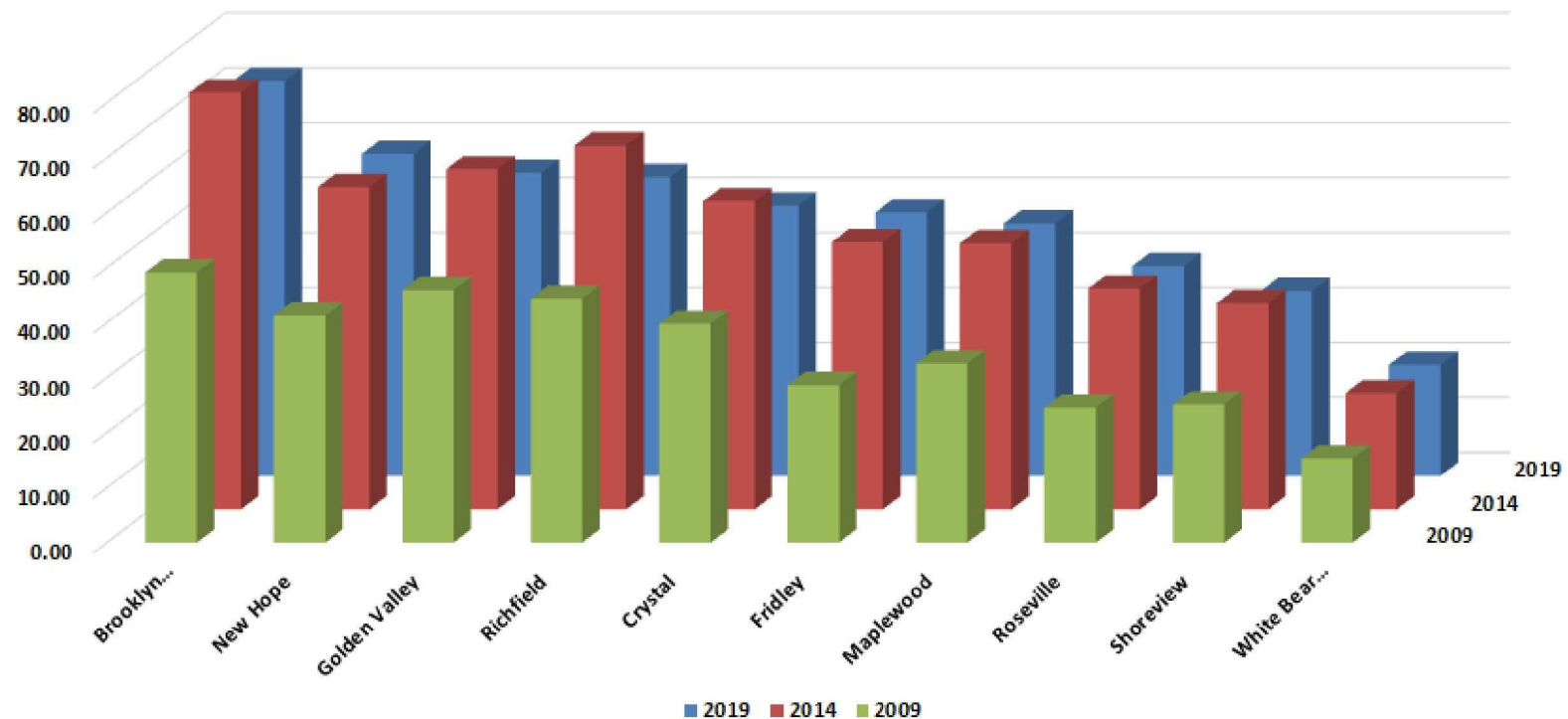
- 1) The 2020 Median Residential Estimated Market Value (Homestead) is \$198,000 (Taxable Market Value \$178,580). The 2019 Median Residential Estimated Market Value (Homestead) was \$184,000 (Taxable Market Value \$163,320)
- 2) These are hypothetical examples of property values for Multi Family (2019 value of \$2.2 million), Commercial (2019 value of \$1.7 million) & Industrial (2019 value of \$1.9 million). The values of these properties were assumed to be adjusted for 2020 by the same proportion of total estimated market value of that property classification. If a particular property has a different rate of valuation change from the previous year or additional value added, these values will be different.
- 3) Tax rates and taxes include HRA amounts



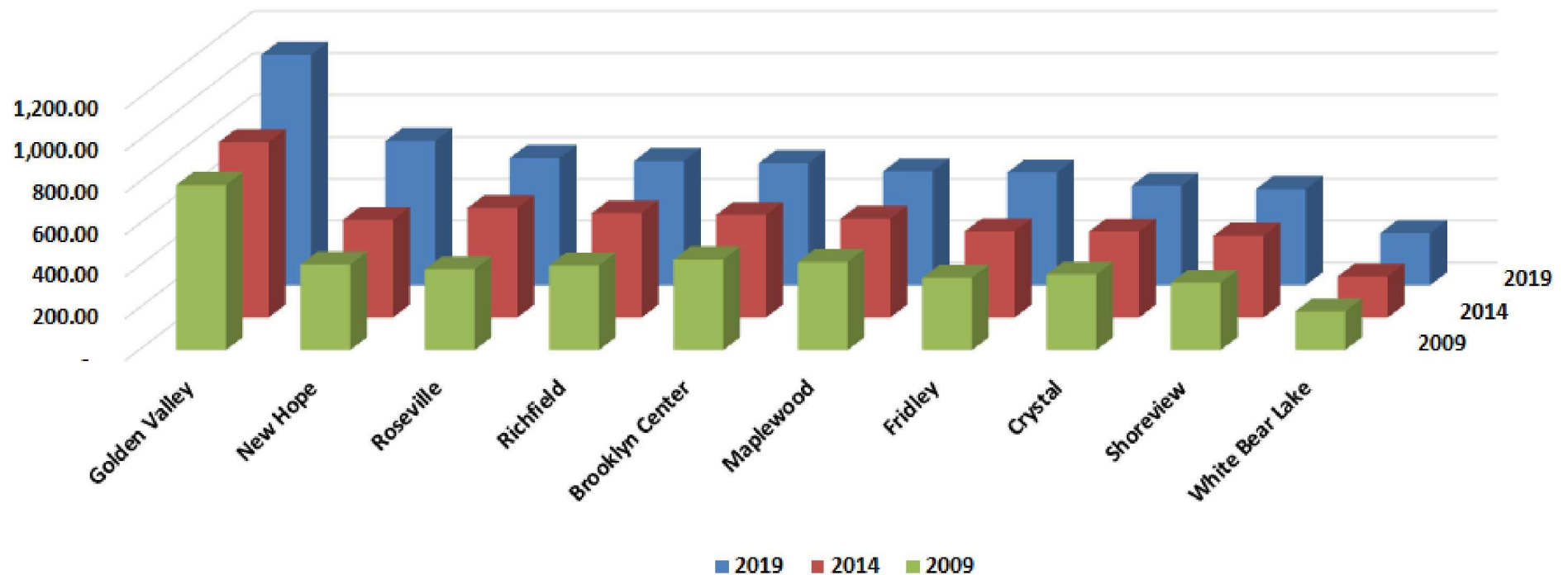
# Statewide/Peer Comparison



# Property Tax Rates – Peer Comparison



# Annual Property Tax Per Capita – Peer Comparison



# Next Steps

- City Council to consider two resolutions:
  1. Resolution approving a preliminary tax capacity levy for the General Fund and Debt Service Funds and a market value tax levy for the Housing and Redevelopment Authority for property taxes payable in 2020.
  2. Resolution adopting a preliminary budget for the 2020 fiscal year.
- Future dates:
  1. October through November: City Council and Financial Commission joint study sessions to review special revenue, debt service, utilities, enterprise and internal service funds
  2. December 2, 2019: Public hearing and adoption of final tax levy and budget

