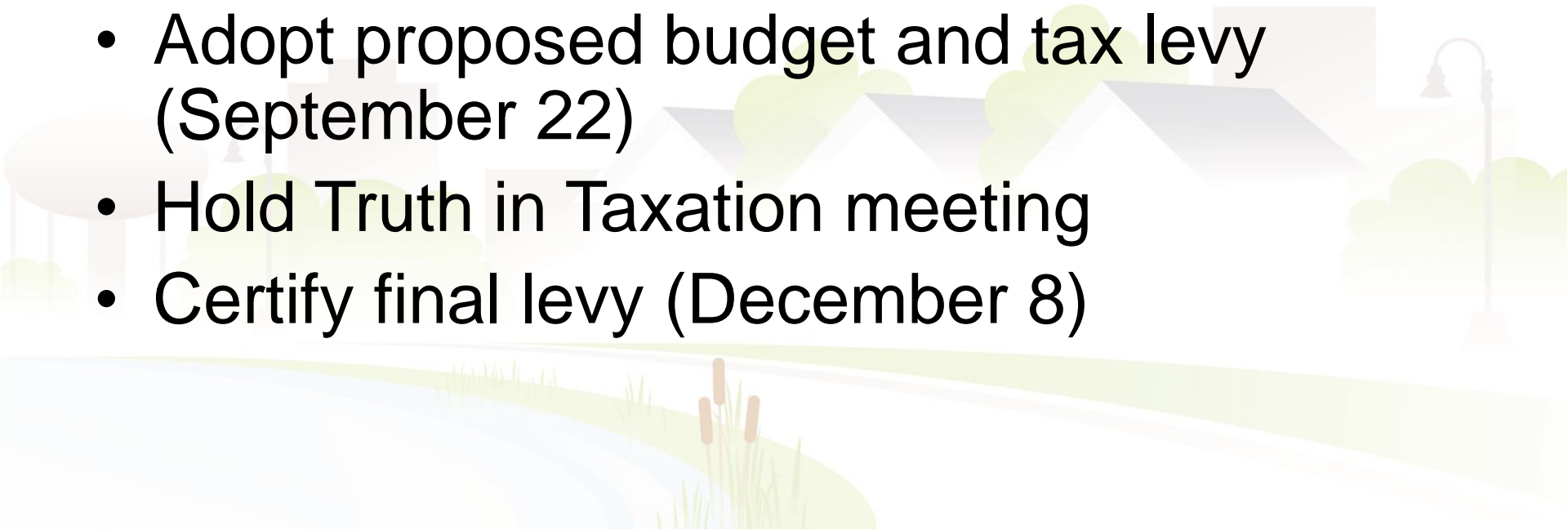




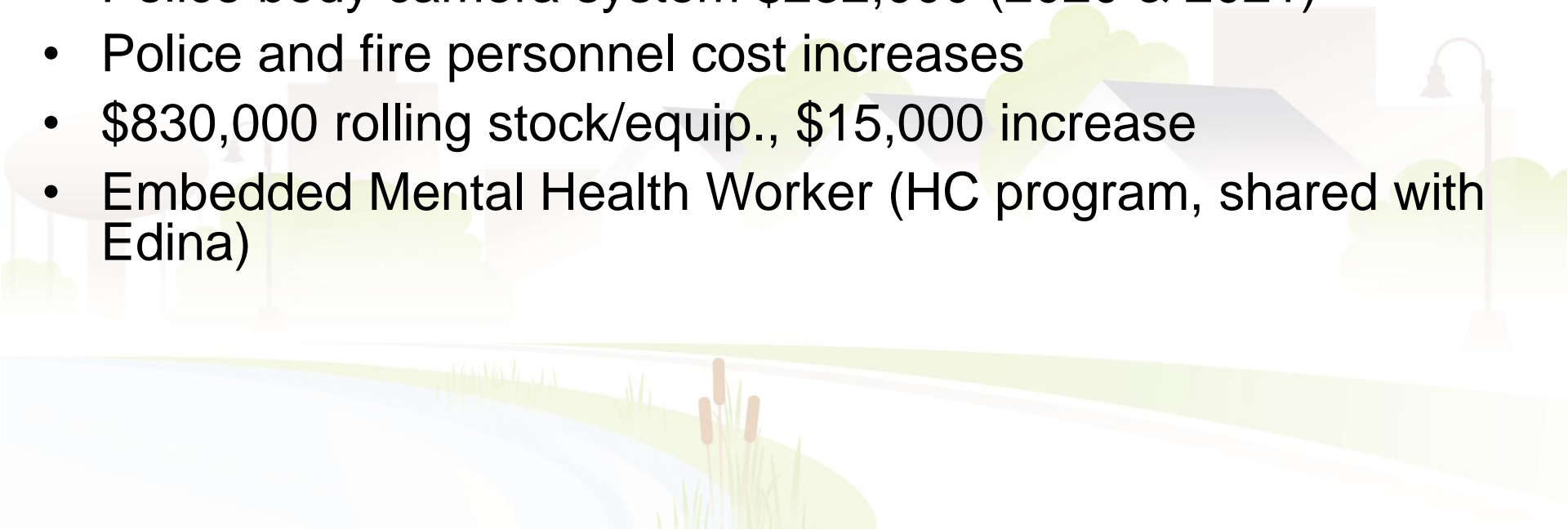
2021 budget preview



Timetable and key events

- Budget preview, utility rates, city fees (July 28)
 - Proposed CARES funding plan (Aug 10)
 - Budget study session (September 10)
 - Adopt proposed budget and tax levy (September 22)
 - Hold Truth in Taxation meeting
 - Certify final levy (December 8)
- 

Key issues for 2021

- Property taxes – primary funding source
 - 2021 budgeted revenues - \$2,366,046 of LGA
 - Debt Service Levy 2020A \$197,290
 - Reduced existing D/S tax levies - \$150,000 will need to review annually
 - Police body camera system \$232,000 (2020 & 2021)
 - Police and fire personnel cost increases
 - \$830,000 rolling stock/equip., \$15,000 increase
 - Embedded Mental Health Worker (HC program, shared with Edina)
- 

Key issues for 2021

- New staff positions
 - Equity Coordinator (plan to hire in 2020)
 - Video Specialist (body cameras, 2021 hire)
 - Police Officer (hired 2020, funded by 5 Year DWI Grant)
 - IT Technician (plan to hire in 2021, 2020 budget)
 - Battalion Chief (plan to hire in 2020, 2020 budget)
- Cost of living increase at 3%, average step increases 5%
- Personnel approximately 71% of GF

History of state aid

	<u>Certified</u>	<u>Change</u>
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 -	\$2,366,046	\$130,403
2021 -	\$2,366,046 Est.	\$0

History of city reserves

	<u>Capital Fund</u>	<u>Recreation</u>
2013 -	\$2,074,700	\$3,342,746
2014 -	\$3,718,613	\$2,835,705
2015 -	\$3,841,155	\$2,952,516
2016 -	\$4,325,415	\$3,233,214
2017 -	\$4,851,557	\$3,361,118
2018 -	\$5,452,491	\$3,481,487
2019 -	\$4,682,503	\$3,643,018
2020 -	\$4,592,344 Est.	\$ 243,018 Est.

* The City's General Fund has a fund balance policy where the targeted amount of unassigned fund balance shall be an amount not less than 40% of current year end actual General Fund revenues.

2021 proposed gross levy

- 2021 Gross Levy is \$23,953,081
 - Increase of 5.58% over the 2020 Levy
- General Fund Levy \$18,989,847
- Equipment Levy \$ 830,000
- EDA Levy \$ 570,605
 - Base Levy Total \$20,390,452
- Debt Service Levy \$ 3,508,545
- Tax Abatement Levy \$ 54,043
 - Total 2021 Levy \$23,953,040 – 5.58%

Gross tax levy history

- 2021 - \$23,953,040 - 5.58% increase
- 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

2021 proposed General Fund budget

- The 2021 proposed General Fund of \$26,754,350 is a(n):
 - 5.08% increase from the 2020 adopted budget
 - 5.85% increase from the 2020 revised budget



General Fund revenues

	<u>2020A</u>	<u>2020R</u>	<u>2021P</u>
Taxes	\$17,311,530	\$17,311,530	\$18,610,050
Licenses and permits	1,106,600	1,310,600	1,065,000
Intergovernmental	2,663,520	2,895,150	3,738,530
Charges for services	2,337,800	1,882,920	2,222,900
Fines and forfeitures	325,000	202,570	280,000
Miscellaneous	108,080	85,130	75,100
Transfers	1,608,190	1,588,510	762,770
	<hr/> \$25,460,720	<hr/> \$25,276,410	<hr/> \$26,754,350

General Fund expenditures

	<u>2020A</u>	<u>2020R</u>	<u>2021P</u>
Legislative/Executive	\$ 931,070	\$ 934,680	\$ 1,044,630
Administrative Services	961,630	902,610	908,360
Finance	673,000	686,140	743,050
Public Safety	9,847,770	9,949,000	10,466,760
Fire	4,850,230	4,852,170	4,995,480
Community Development	1,629,150	1,650,000	1,697,080
Public Works	4,318,050	4,352,180	4,590,640
Recreation Services	2,029,820	1,729,630	2,078,350
Transfers	220,000	220,000	230,000
	<hr/> \$25,460,720	<hr/> \$25,276,410	<hr/> \$26,754,350

2021 proposed levy estimated impact

- \$250,000 property

– City Portion - Tax 2020	\$1,332.28
– City Portion - Tax 2021	\$1,351.70
– City Portion - Tax 2021 (1.8% emv)	\$1,376.03

- **\$19.42 increase** or **\$1.62** per month in City property tax portion with no change in Market Value
- **\$43.75 increase** or **\$3.65** per month in City property tax portion with estimated 1.8% increase in Market Value

2021 proposed budget

- 2021 Capital Improvement Budget
 - Total 2021 budget - \$28,885,000
 - Major projects include:
 - 77th Street Underpass
 - Pavement Management Program
 - City Wide Water Meter Upgrade
 - Recreation Projects



2021 proposed budget

- Rolling Stock/Equipment - Purchases 2021
 - Total Cost of Equipment > \$1,000,000
 - General Tax Levy only \$830,000
 - Central Garage and IT Cash Flow Transfers In
 - Dump Truck
 - Aerial Truck
 - Two Chevy Tahoe's - Fire
 - Vac Trailer - Utilities
 - Computer Network Infrastructure & Equipment

Utility Fund - Water

2021 Proposed Rates (2% or 3% increase)

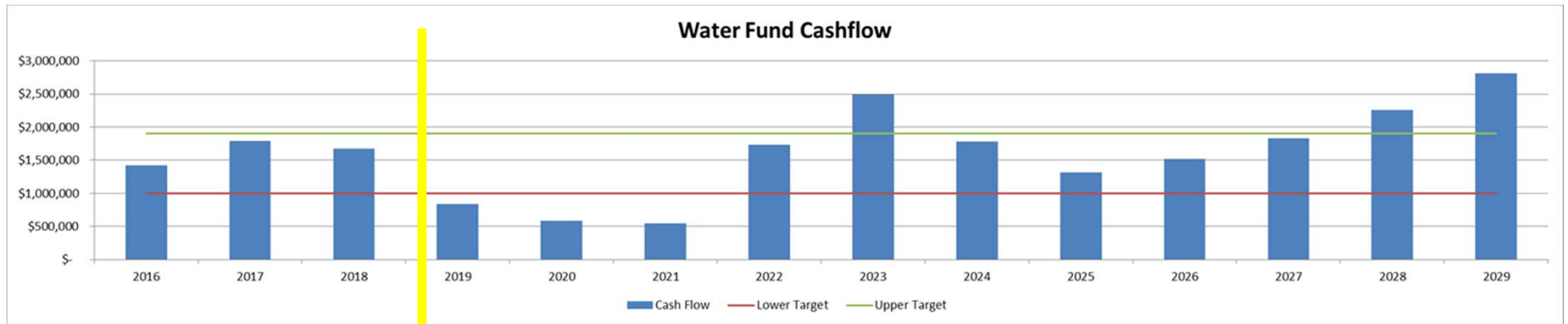
Residential Water Rates				
2020		2021 @ 2% (3%)		
0-15,000 gals	\$4.10	0-15,000 gals	\$4.18 (\$4.22)	60% of accounts
15,001-25,000 gals	\$4.92	15,001-25,000 gals	\$5.02 (\$5.07)	25% of accounts
Over 25,000 gals	\$5.92	Over 25,000 gals	\$6.04 (\$6.10)	15% of accounts
Fixed Quarterly Service Charge				
2020		\$10.00		
2021 proposed		\$10.00		

\$1,161,935* - Cash Balance (June 30, 2020)
\$1.9M Target

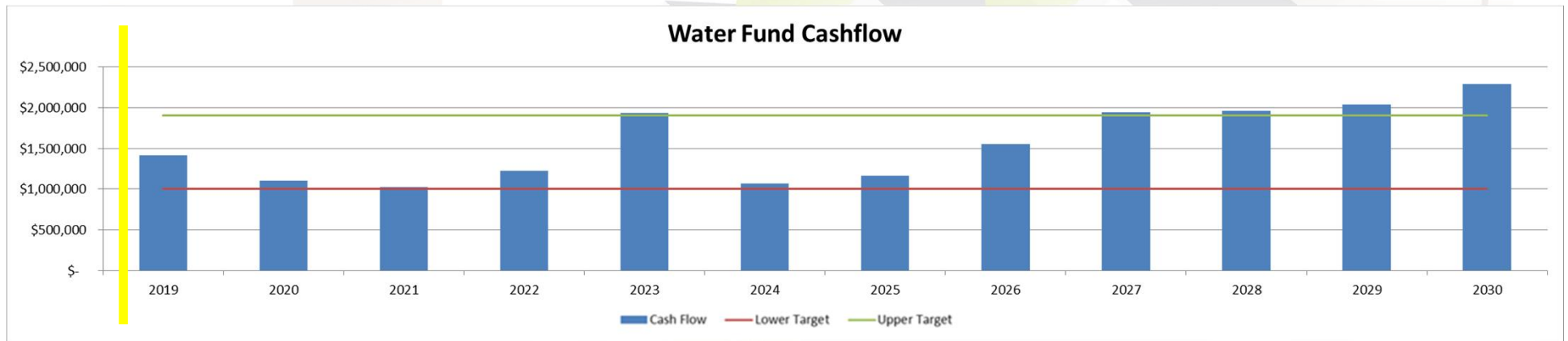
* Includes \$1.2M of bond funds for 65th Street lining.

Water Fund Outlook

Projecting annual 5% increases through 2029 (figure from 2019 presentation)

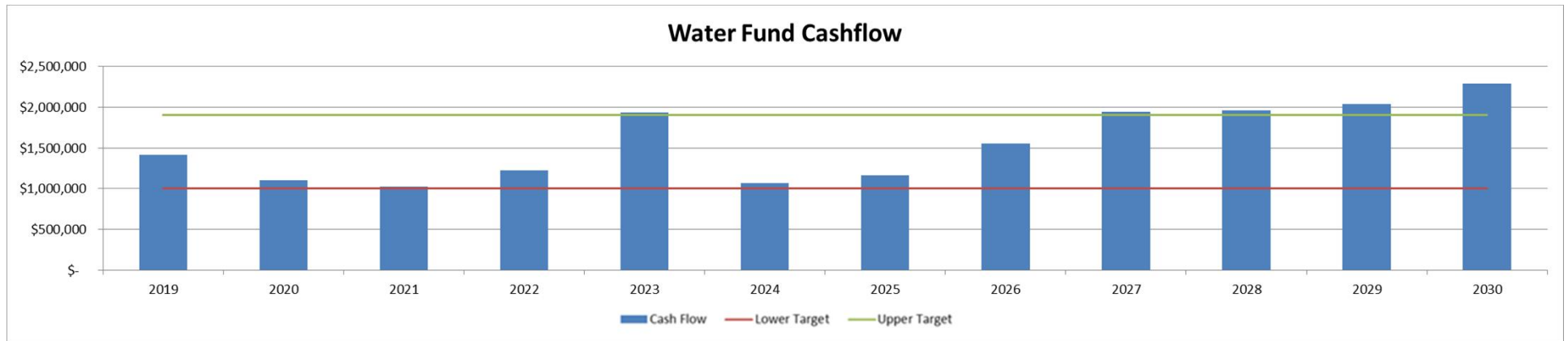


Projecting 2% (2021); and 5% annual increases through 2030 (current projection)

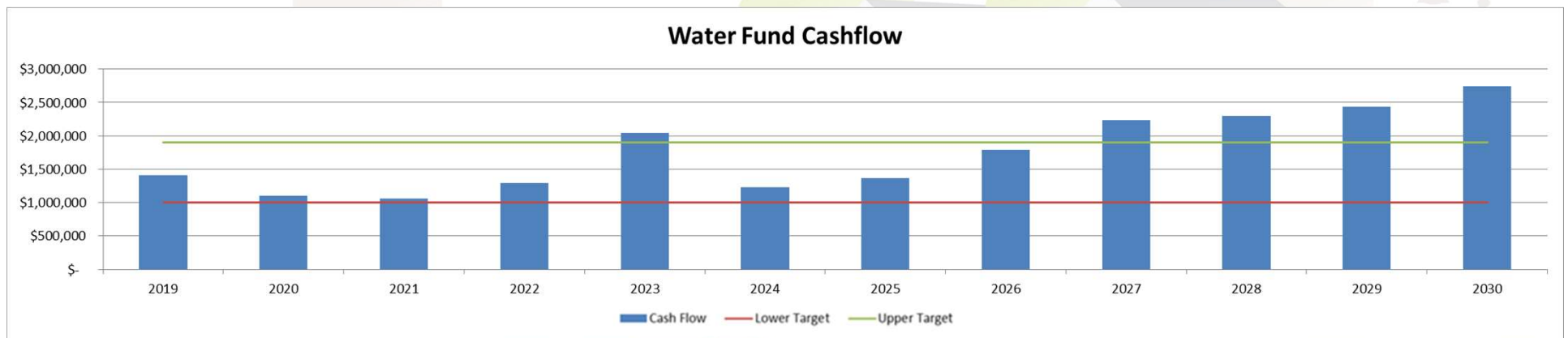


Water Fund Outlook (2% v. 3%)

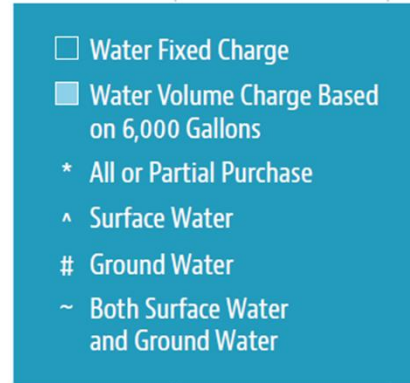
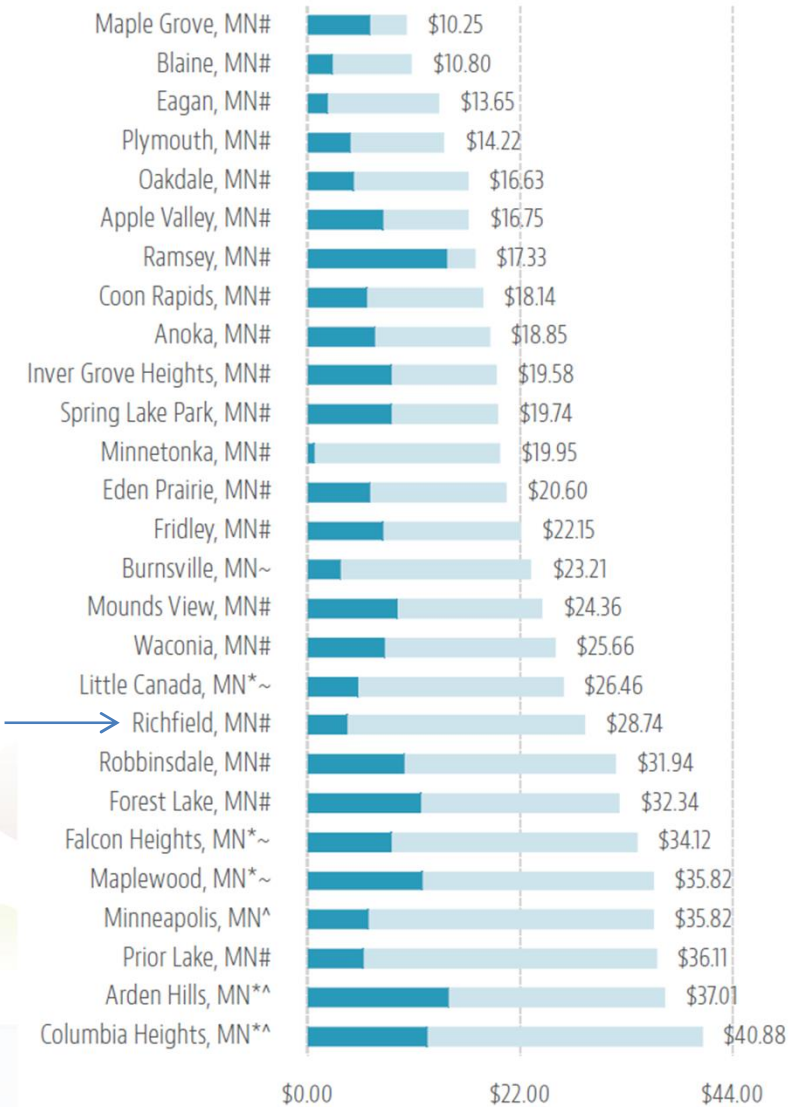
Projecting 2% (2021); and 5% annual increases through 2030



Projecting 3% (2021); and 5% annual increases through 2030



MINNEAPOLIS/ST. PAUL METRO AREA



MINNEAPOLIS/ST. PAUL METRO AREA GROUND WATER SYSTEMS REPORTING SOFTENING



TYPICAL MONTHLY RESIDENTIAL WATER UTILITY BILL (\$)

2020

TYPICAL MONTHLY RESIDENTIAL WATER UTILITY BILL (\$)

Utility Fund - Wastewater

2021 Proposed Rate (2% increase)

Sanitary Sewer Rates	
2020	2021
\$5.91 per 1,000 gals	\$6.03 per 1,000 gals

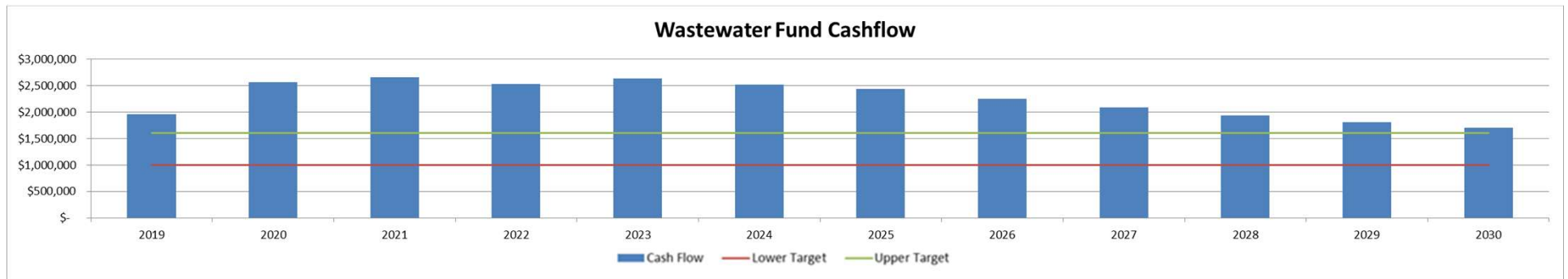
- \$0.12/1,000 gallons increase
- **MINIMUM household** (7,500 gallons/quarter) the proposed rate increase is approximately **\$0.90 per quarter / \$3.60 annually**.
- **Typical household** (12,000 gallons/quarter) the proposed rate increase is approximately **\$1.41 per quarter / \$5.64 annually**.
- 2021 MCES Charges - \$2,397,991 (↓ 5.99%)

\$1,853,399 – Cash Balance (June 30, 2020)

\$1.6M Target

Wastewater Fund Outlook

Projecting annual 2% increases through 2023; then 3% annual increase through 2030.

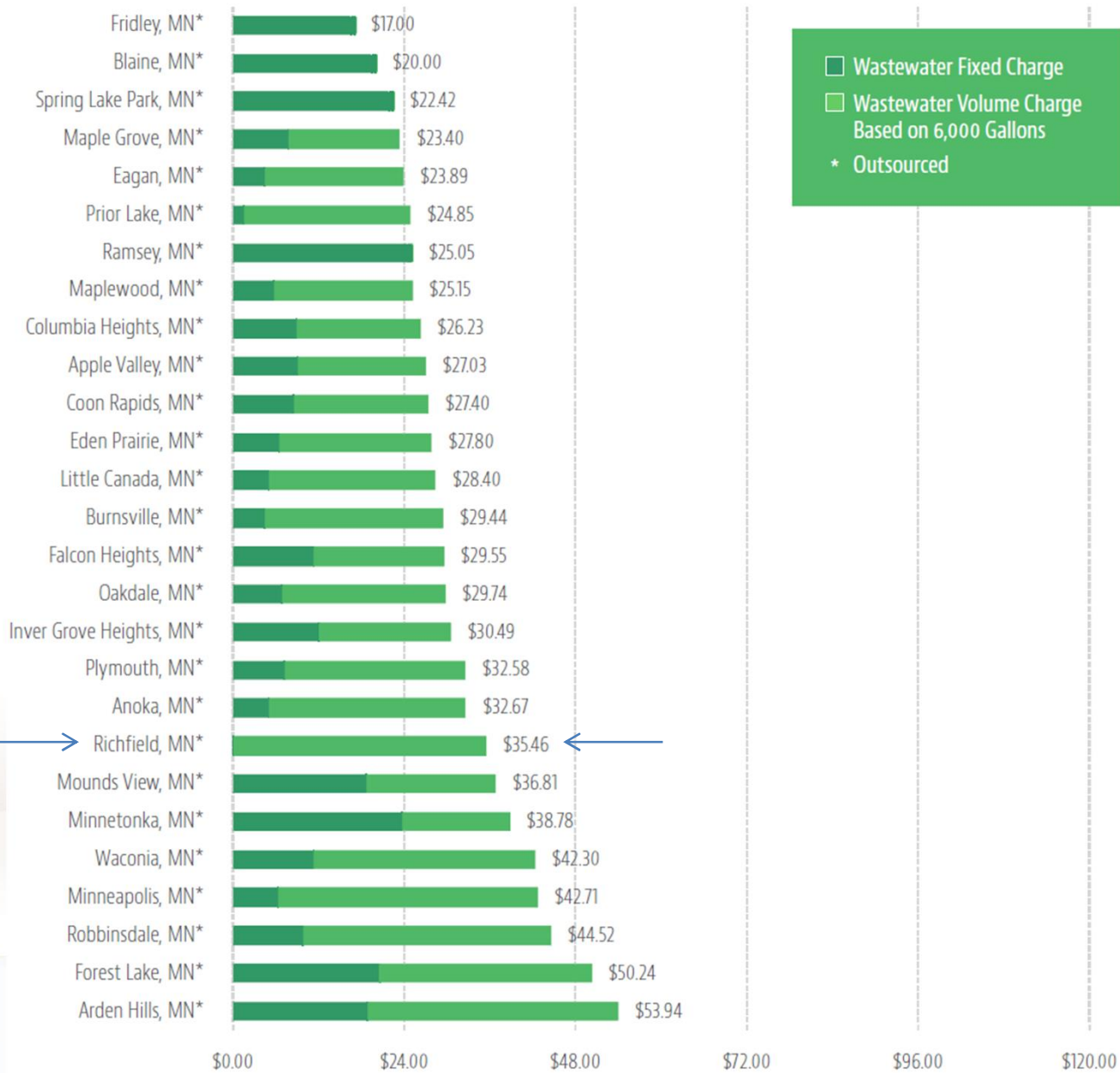


- Assumes 2% annual increases in MCES charges.



MINNEAPOLIS/ST. PAUL METRO

(Served by Metropolitan Council Environmental Services)



TYPICAL MONTHLY RESIDENTIAL WASTEWATER UTILITY BILL (\$)

2020

Utility Fund - Stormwater

Fixed quarterly charge

2021 Proposed (2% increase)

Storm Sewer Rates	
2020	2021
\$20.35	\$20.78

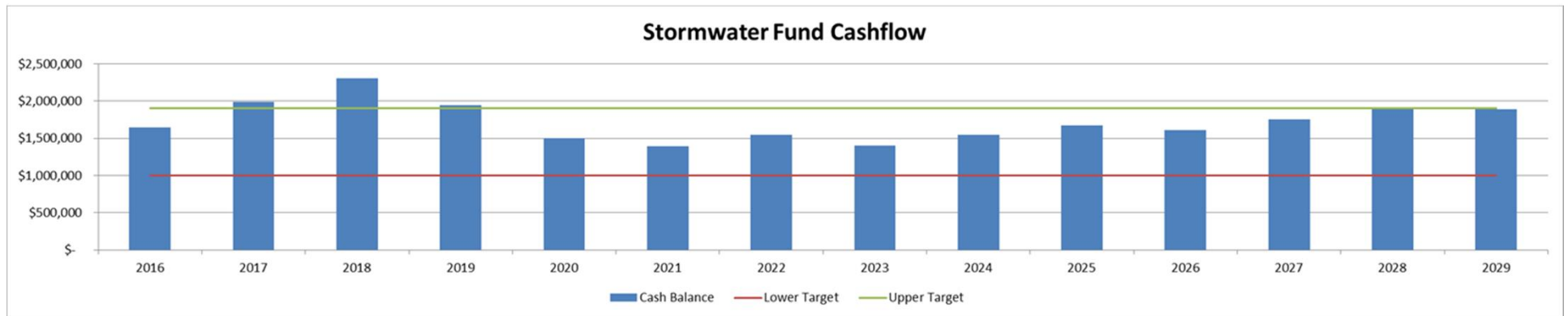
- \$0.43 increase per quarter / \$1.72 annually

\$1,867,605 – Cash Balance (June 30, 2020)

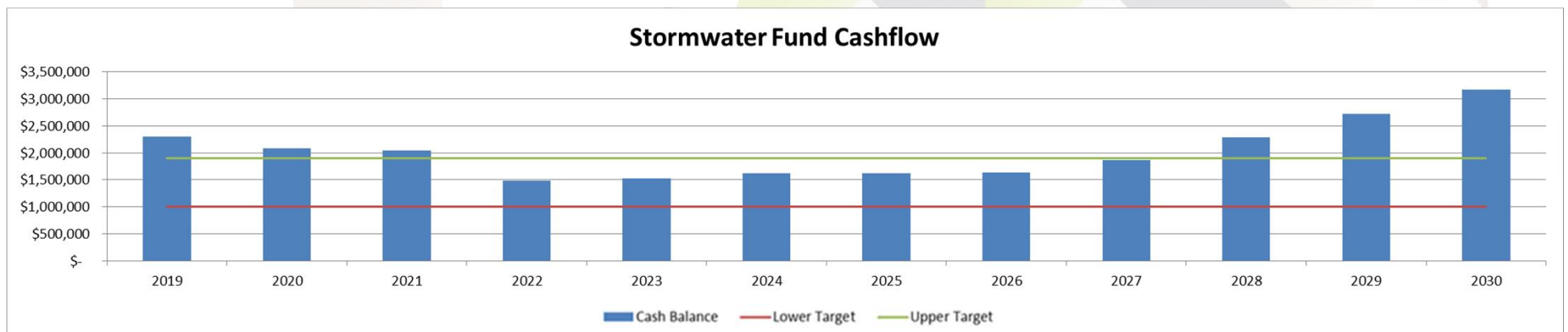
\$1.9M Target

Stormwater Fund Outlook

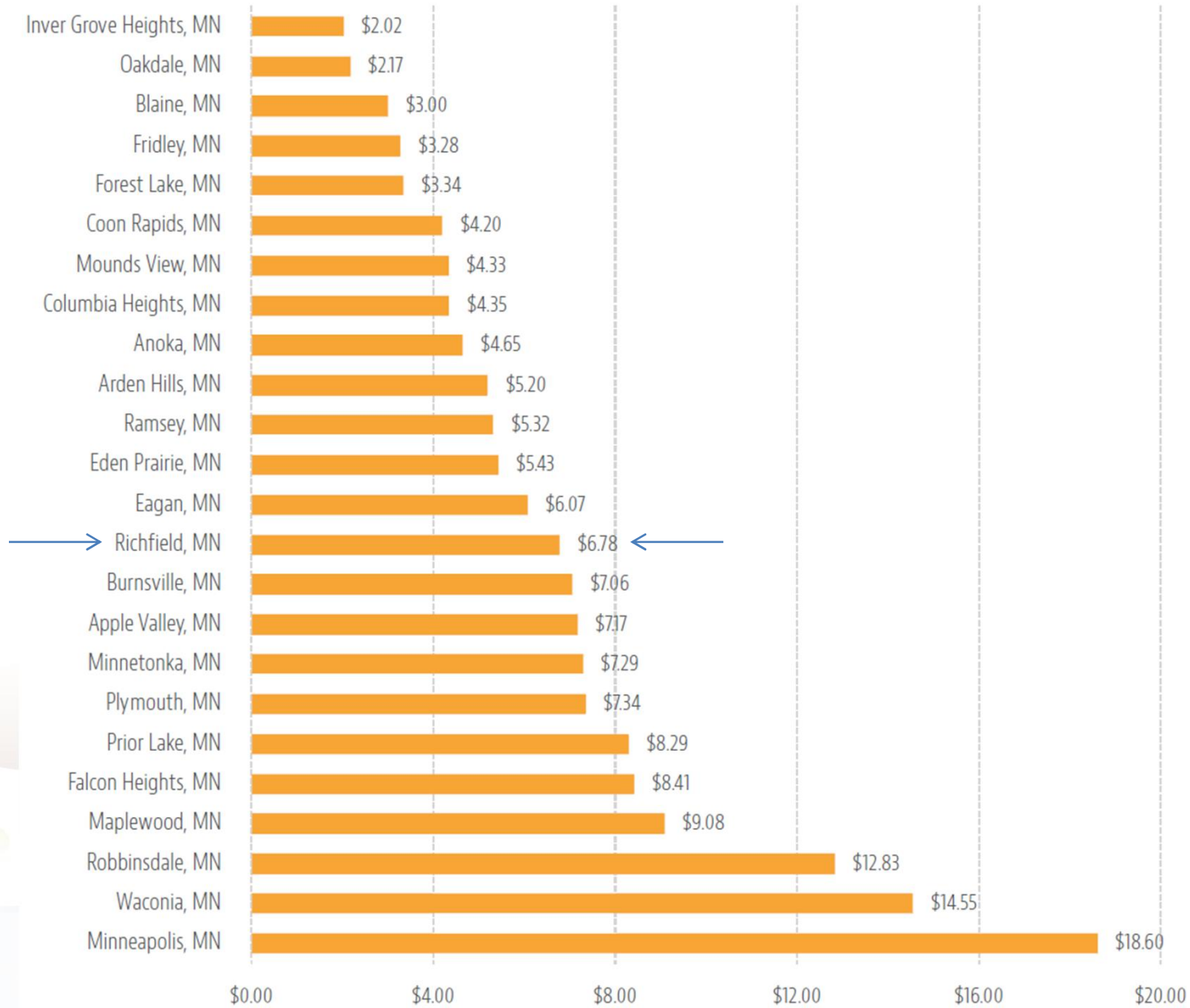
Projecting annual 7% increases through 2024; then 3% annually. (figure from 2019)



Projecting annual 2% increase in 2021; then 5% through 2025; then 3% annually. (current)



MINNEAPOLIS/ST. PAUL METRO



TYPICAL MONTHLY RESIDENTIAL STORMWATER UTILITY BILL (\$)

2020

Utilities Combined

@12,000 gal / Quarter (typical 3 head household)

WATER @12,000 gal				SEWER @12,000 gal				STORM (flat fee)				TOTAL QTRLY	TOTAL ANNUALLY	
2020 \$49.20				70.92				20.35				\$140.47	\$561.88	2020
2021	QTR	ANNUAL	TOTAL QTR	ANNUAL	QTR	ANNUAL	TOTAL QTR	TOTAL	QTR	ANNUAL	TOTAL QTR	TOTAL		
@2%	\$0.96	\$3.84	\$50.16	\$200.64	\$1.41	\$5.64	\$72.33	\$289.32	\$0.43	\$1.72	\$20.78	\$83.12	\$143.27	\$573.08 @2%
@3%	\$1.44	\$5.76	\$50.64	\$202.56									\$143.75	\$575.00 @3%
@5%	\$2.40	\$9.60	\$51.60	\$206.40									\$144.71	\$578.84 @5%



Street Light User Fee

- \$5.77/Quarter residential
- \$28.85/Quarter Commercial
- Maintenance and electricity

