

# 2016 PRELIMINARY LEVY AND GENERAL FUND BUDGET DISCUSSION



STUDY SESSION  
AUGUST 24, 2015

# DISCUSSION OBJECTIVES

1. 2016 Preliminary Levy and Budget Review Status
2. Forecast Options and Decisions
3. Getting Direction for 2016 Preliminary Levy

# BUDGET CYCLE AND FRAMEWORK

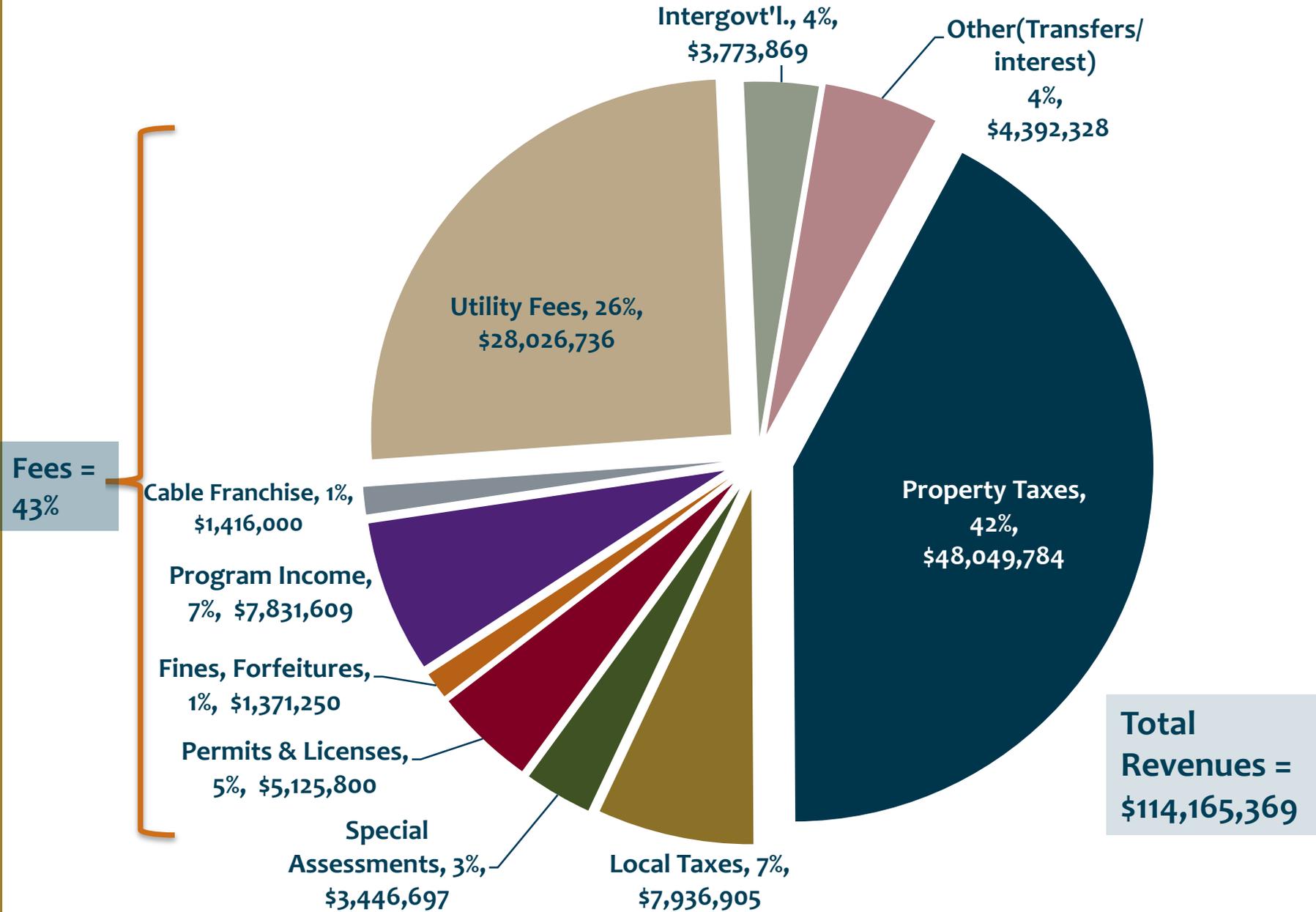
Even years – 2014

- Prepared 2015 Budget, and
- Conceptual 2016 Budget

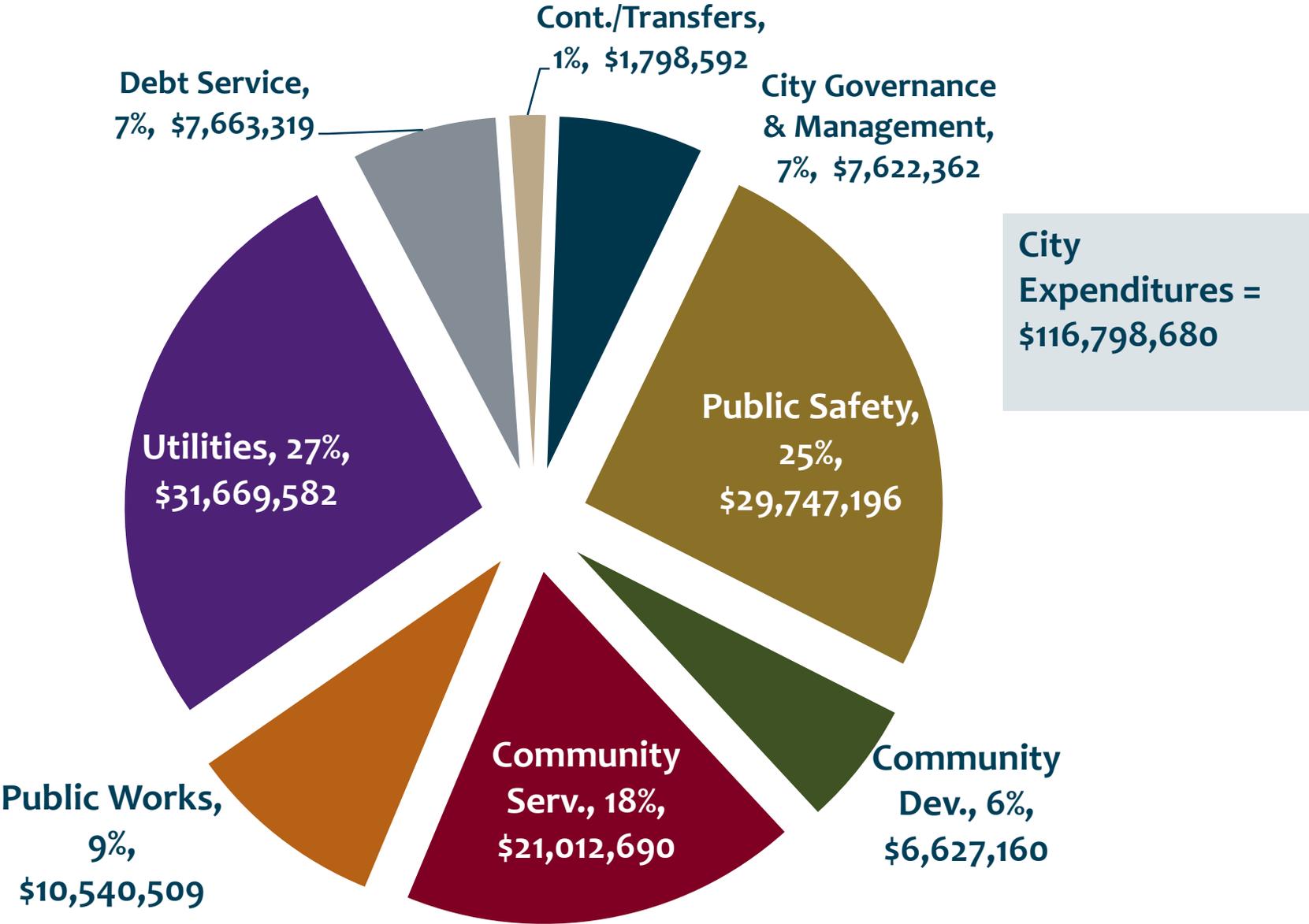
Odd years – 2015

- Refine Conceptual 2016 Budget

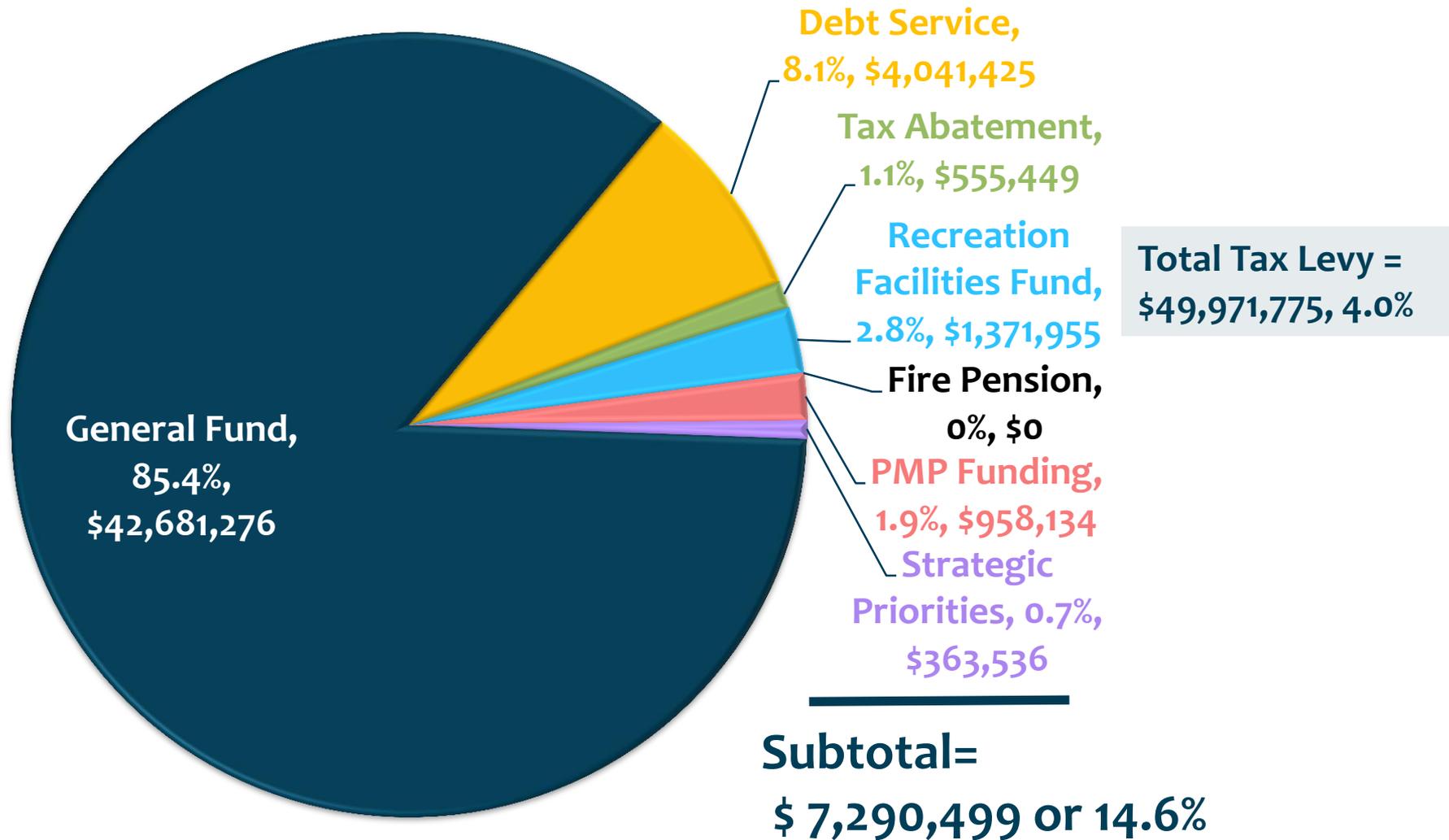
# CITY-WIDE – 2015 REVENUES BUDGET



# CITY-WIDE – 2015 EXPENDITURES BUDGET



# 2015 TAX LEVY CATEGORIES



# TAX CATEGORIES

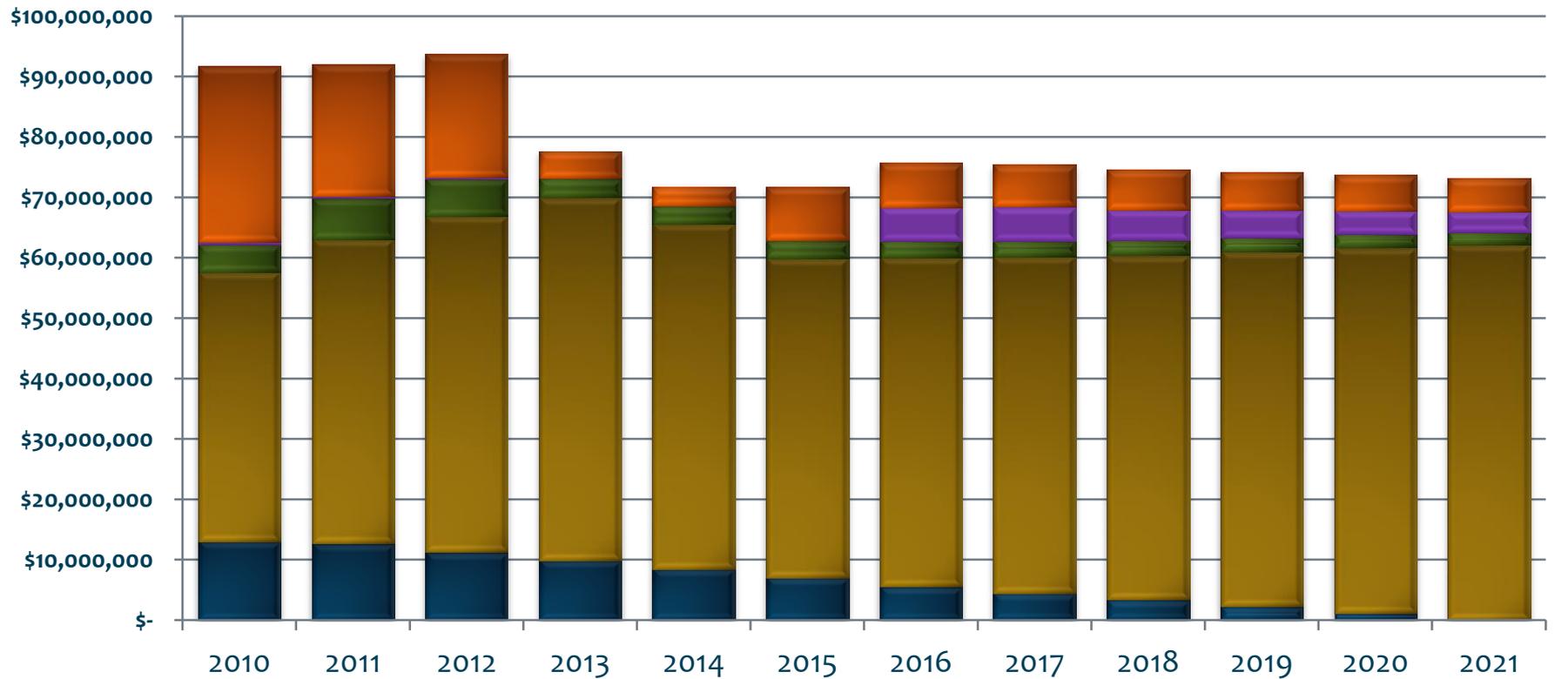
- Debt Service
- Tax Abatement
- Recreational Facilities
- Fire Pension
- PMP Overlay
- Strategic Priorities
- General Fund



# DEBT SERVICE

# ENTIRE CITY, HRA AND PORT OUTSTANDING AND PROJECTED DEBT

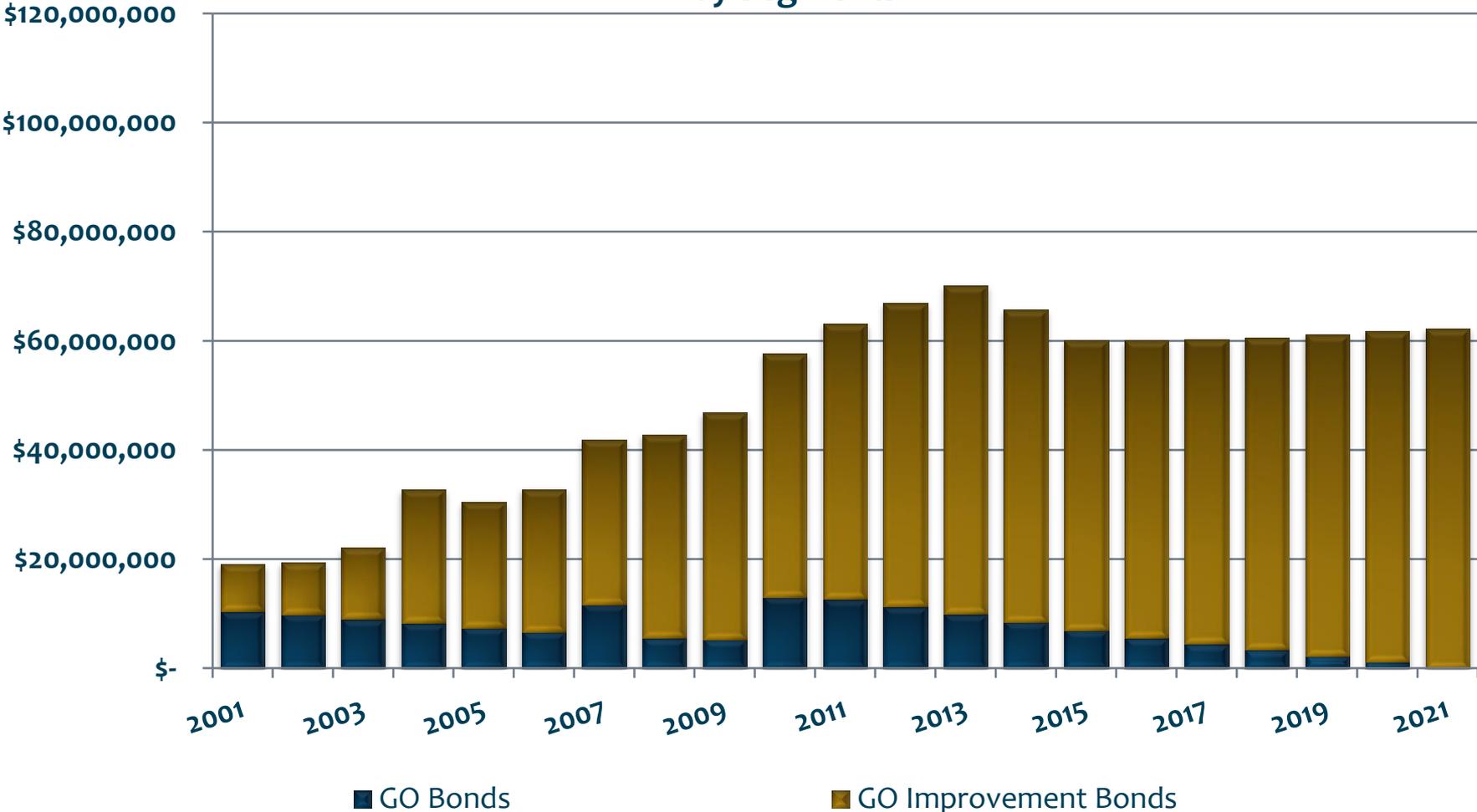
## Entire City Debt Outstanding by Segments



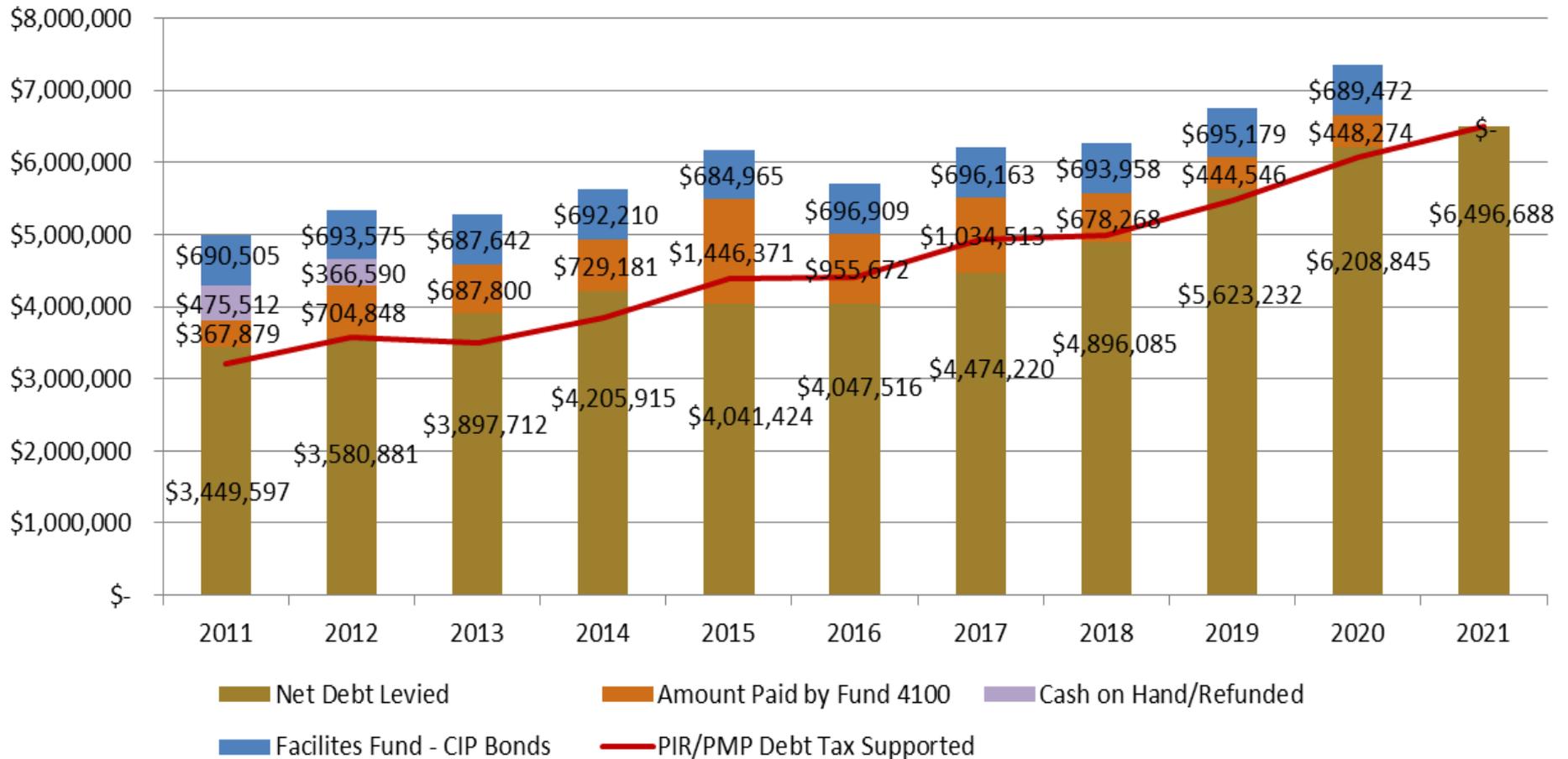
■ GO Bonds 
 ■ GO Improvement Bonds 
 ■ GO Tax Increment Bonds 
 ■ Enterprise Bonds 
 ■ Port Authority Debt

# TAX SUPPORTED DEBT

## Tax Supported Debt Outstanding by Segments



## Tax Supported Debt Service



# 2015 ANTICIPATED DEBT ISSUANCE

Fall 2015-

- PMP Reconstruction \$5,200,000
- Local Wayfinding \$850,000
- Lennar/BCS \$7,500,000



# TAX ABATEMENT

Tax  
Abatement  
Normandale

# TAX ABATEMENT



# Approved NLD Tax Abatement Areas



# TAX ABATEMENT

## Actions taken to date:

- Council Approved Abatement District 2007
- Council Approved District Area Plan 2008
- Council Approved First Phase Improvements 2008
- Council Approved Tax Abatement Levy in 2008 Payable Starting in 2009
- Council Approved Issuance of Special Assessment Debt of \$4M in 2009
- Council Approved Tax Abatement Plan Amendment in 2011
- 2015 Council requested Legislative Financing Assistance for EBLR West Access

# TAX ABATEMENT

	Levy Amount	\$ Change	% Change
2009	\$189,125		
2010	\$325,920	\$136,795	72%
2011	\$251,596	-\$74,324	-23%
2012	\$347,089	\$95,493	38%
2013	\$464,939	\$117,850	34%
2014	\$501,050	\$36,111	8%
2015	\$554,370	\$53,320	11%
2016	\$813,535	\$259,165	47%



# RECREATIONAL FACILITIES

Recreation  
Facilities  
Fund

# RECREATIONAL FACILITIES



*Bloomington Art Center*

- Covers supporting services



*Bloomington Family Aquatic Center*

- Tax supported to keep fees affordable

# RECREATIONAL FACILITIES

Currently-

- Bloomington Center for the Arts
- Bloomington Family Aquatics

Potential-

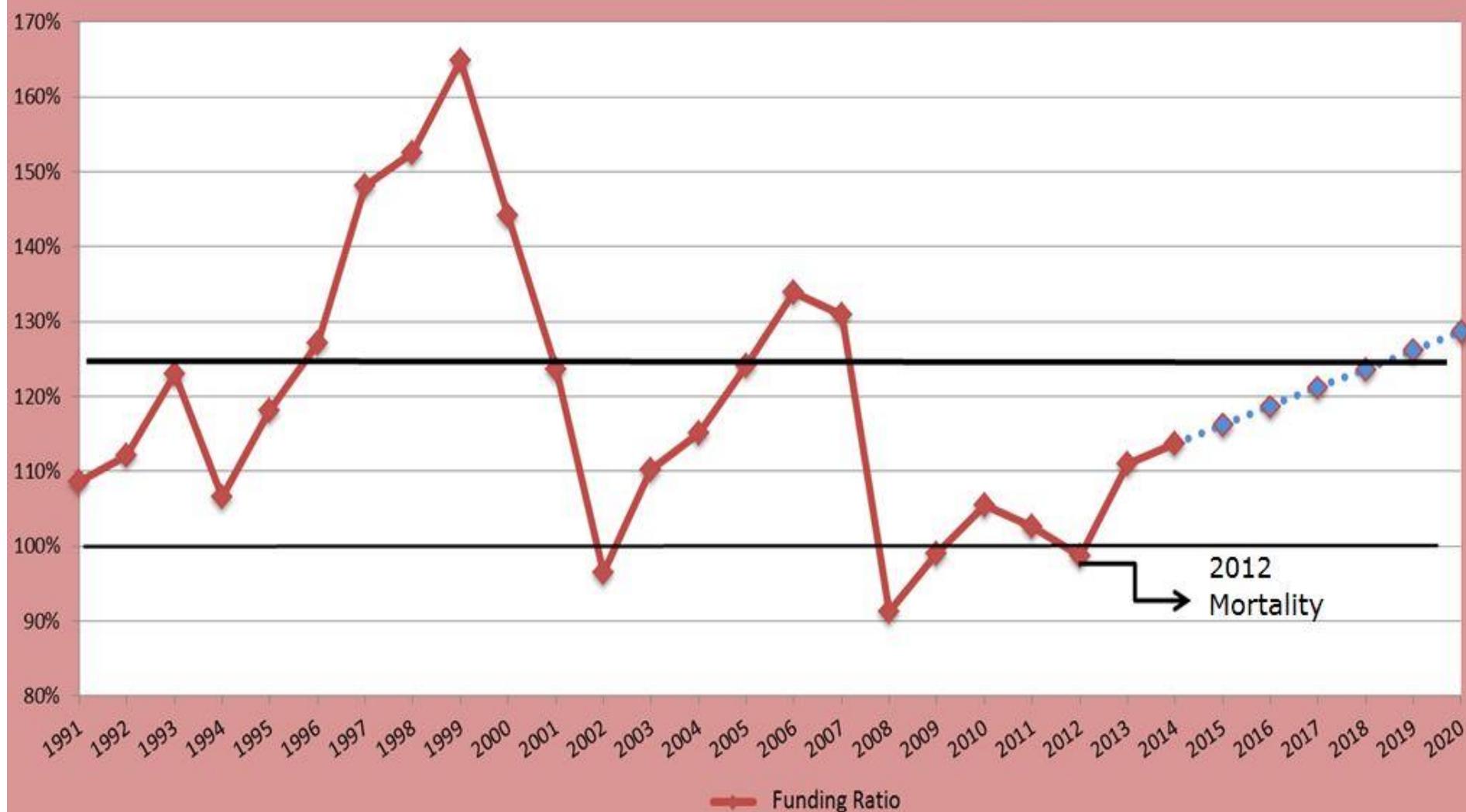
- Golf Courses
- Park Development



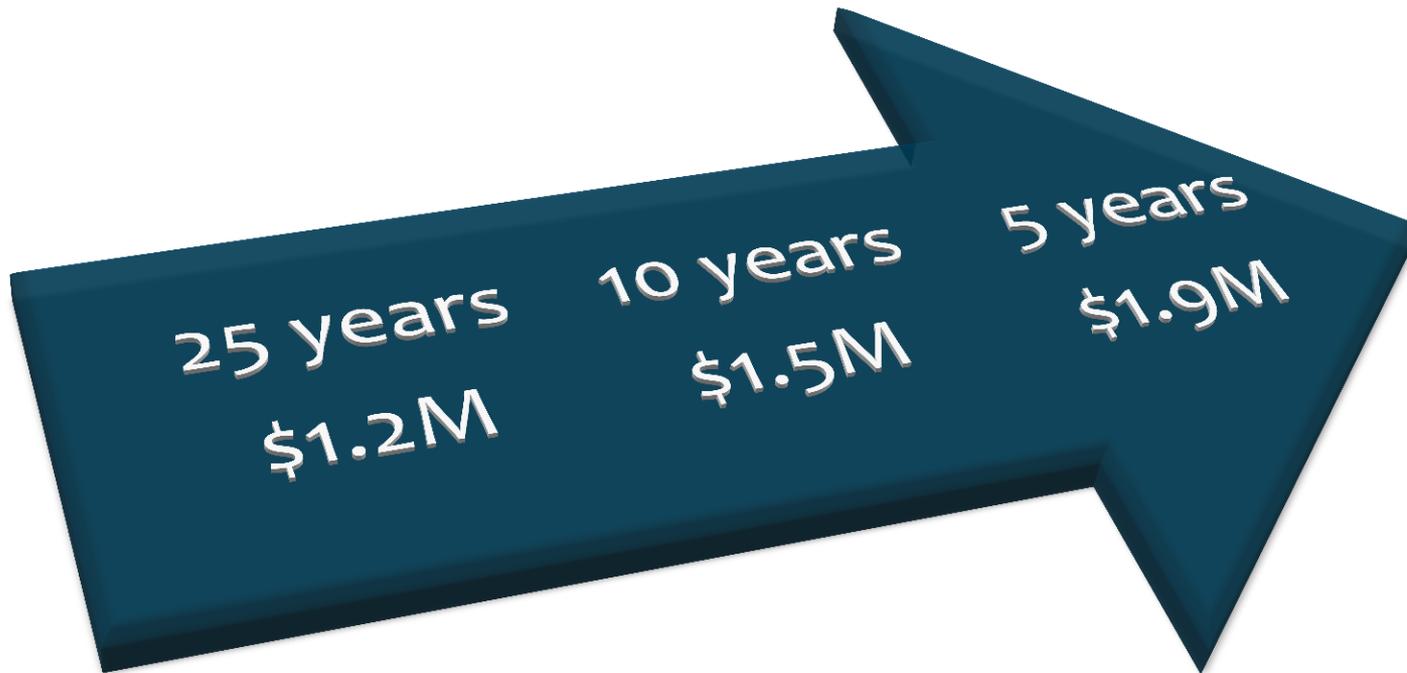
# FIRE PENSION

# FIRE PENSION

## BFRA Funding Ratio based on Year End 1991-2014

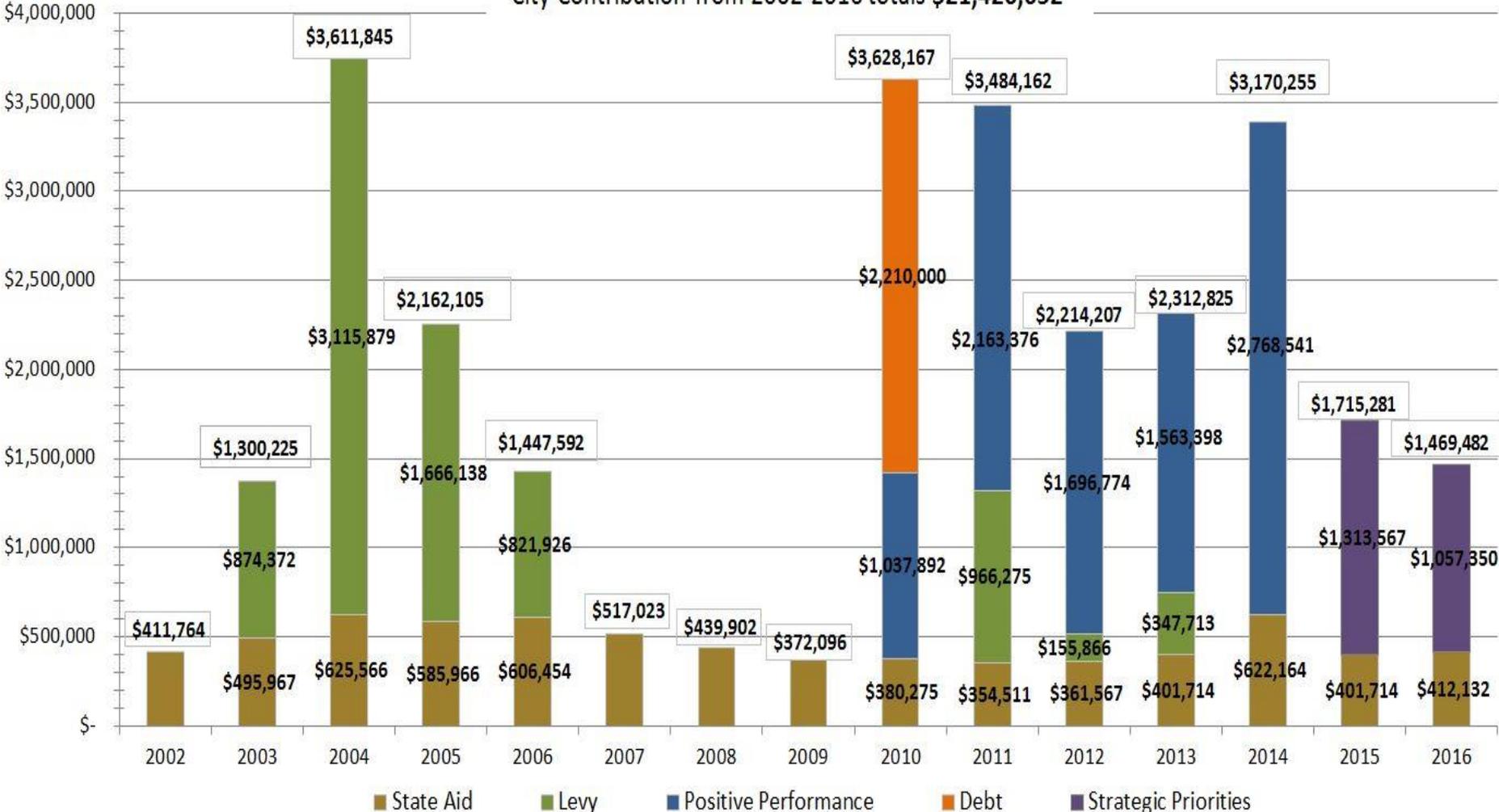


# HISTORY OF CITY CONTRIBUTION



# HISTORY OF CONTRIBUTIONS

\*City Contribution from 2002-2016 totals \$21,426,652



# FIRE PENSION RESERVE & STRATEGIC PRIORITIES

<b>Revenues:</b>							
Fire Pension Reserve Annual Levy	500,000	750,000	1,000,000	1,250,000	1,500,000	1,500,000	
Transfer In - From Strategic Priorities	1,057,350	1,000,000	1,000,000	500,000	500,000	-	
<b>Expenditures:</b>							
Pension Obligation & Estimate	1,057,350	1,250,000	A	1,500,000	B	1,500,000	1,500,000
Estimated Fund Balance & Future Reserve	500,000	1,000,000	1,500,000	1,750,000	2,250,000	2,250,000	
<p>A. Anticipates adding 10 volunteers in 2015, which will impact 2017 obligation at approx. \$25,000 each.</p> <p>B. Anticipates adding another 10 volunteers in 2016, which will impact 2018 obligation at approx. \$25,000 each.</p>							



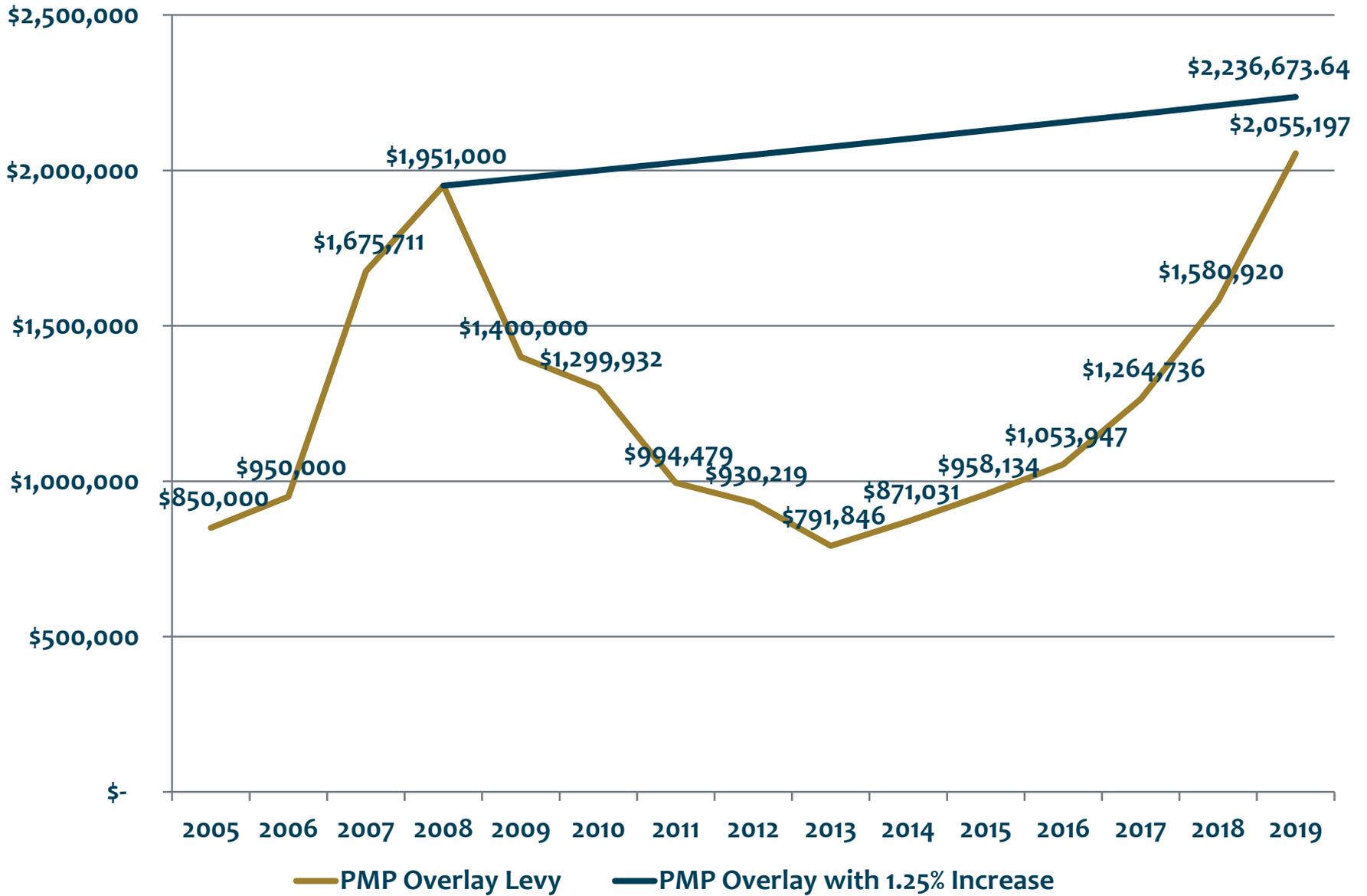
# PMP OVERLAY & TRAIL PROGRAM

# PMP UPDATED PLAN OF ACTION

## Implement update #4 starting in 2014

- 4.5 miles of reconstruct from 2014-2019
- 7 miles of overlay in 2014, with goals of 8 miles in 2015, and 9 miles in 2016-2019
- Maintain 30 miles of sealcoat

# PMP Overlay



# ALL TRAILS MAINTENANCE

- Asphalt (Narrow Trails) Sidewalks
  - Total Linear Miles = 24 miles
- Asphalt Trails
  - Total Linear Miles = 14 miles

TOTAL Sidewalk and Trail Miles = 38 miles

Latest PCI –

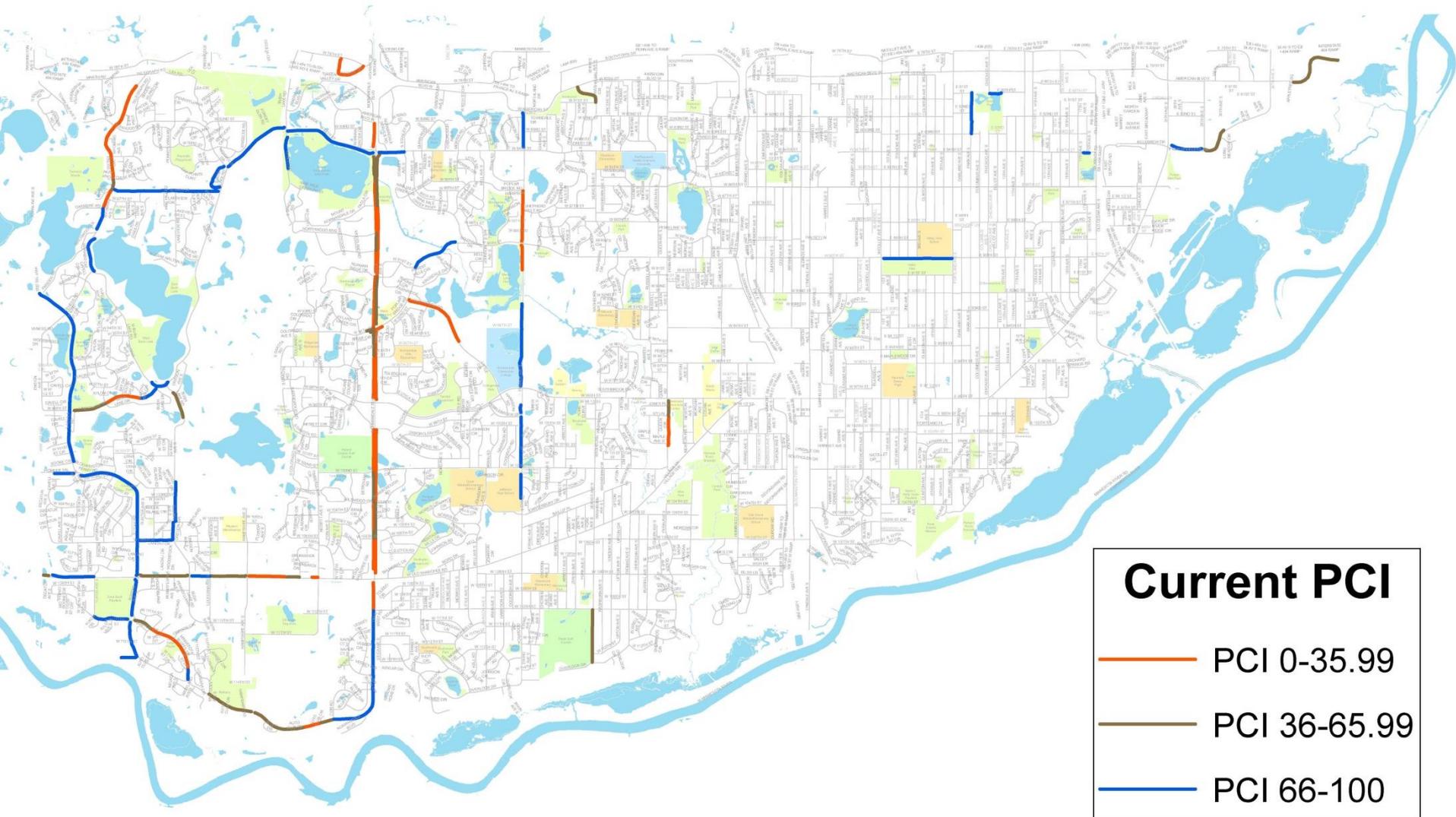
0-35.99 = 9 miles

36-65.99 = 7 miles

66-100 = 22 miles

# PMP ROW TRAILS

Asphalt Sidewalks Pavement Condition Index (PCI)



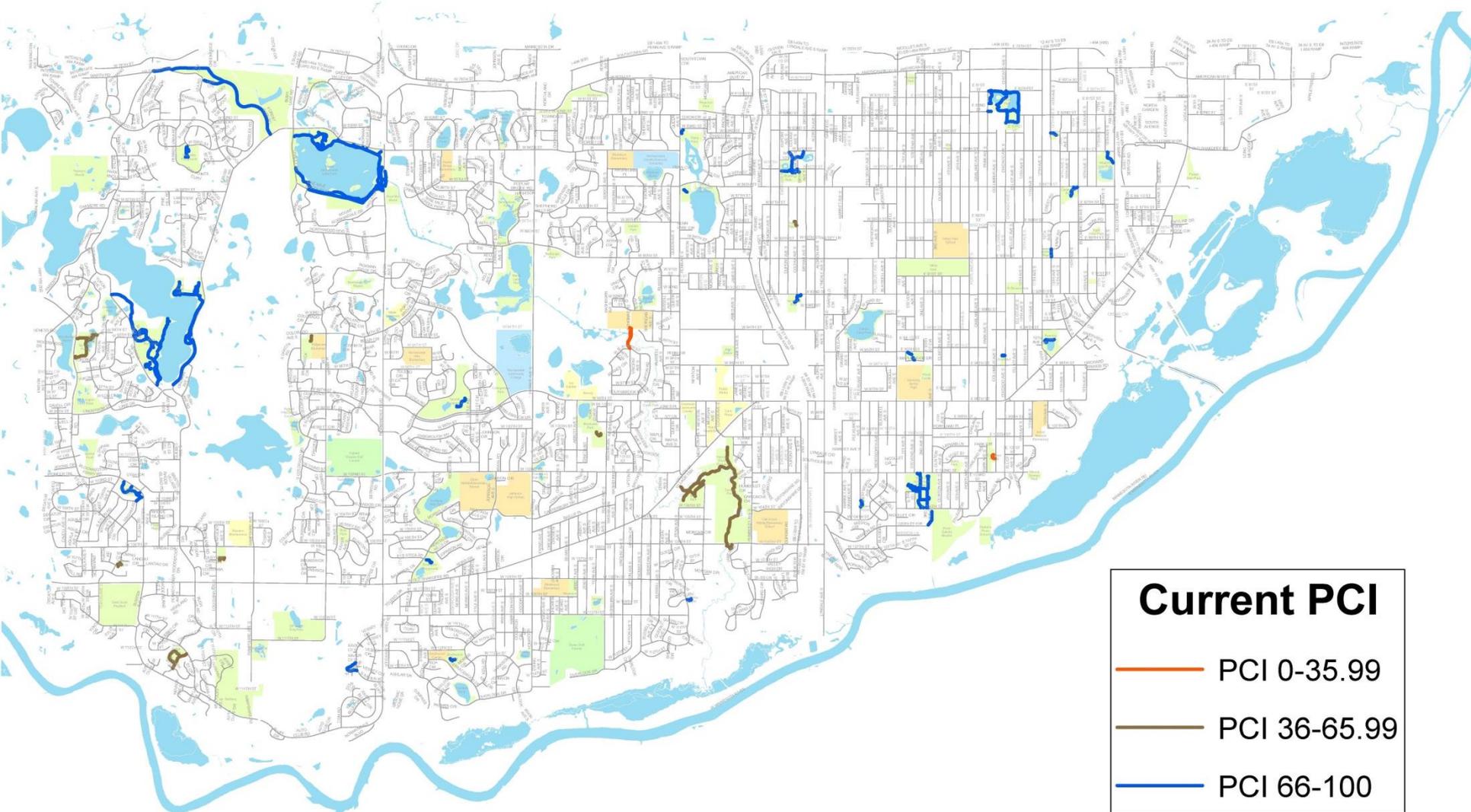
# PMP ROW TRAILS

PMP Trail Reconstruction Analysis 2015

<b>Year</b>	<b>Trail Miles</b>	<b>Funds Needed to Start the Program</b>
2014	0	\$-
2015	0	\$-
2016	0	\$500,000
2017	1.24	\$500,000
2018	-	\$500,000
2019	1	\$500,000
2020	1.43	\$700,000
2021	0.74	\$700,000
2022	0.85	\$800,000
2023	1.60	\$800,000
2024	0.4	\$660,000
2025	0	\$660,000

# PMP PARK TRAILS

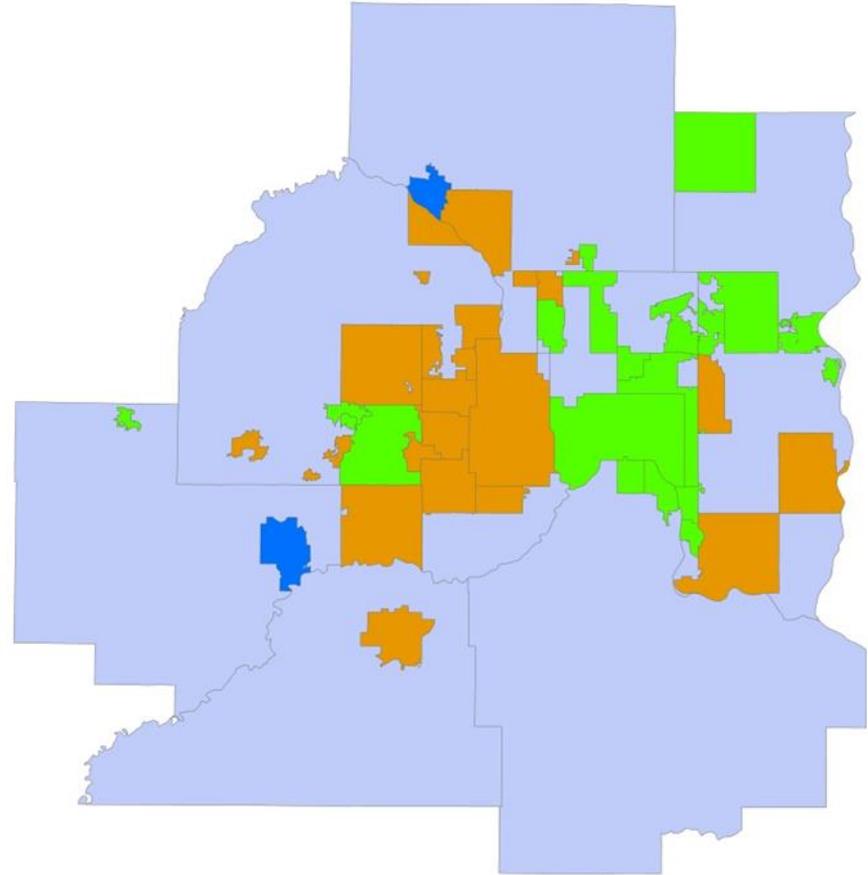
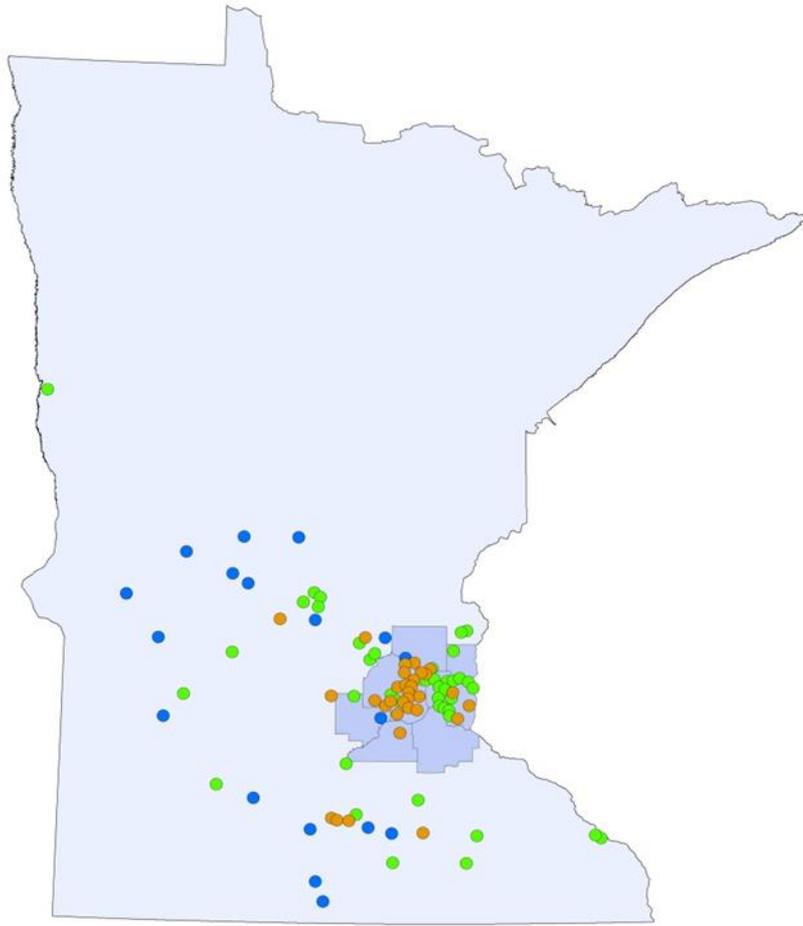
Asphalt Park Trails Pavement Condition Index (PCI)



# PMP TRAILS WITHIN THE PARKS

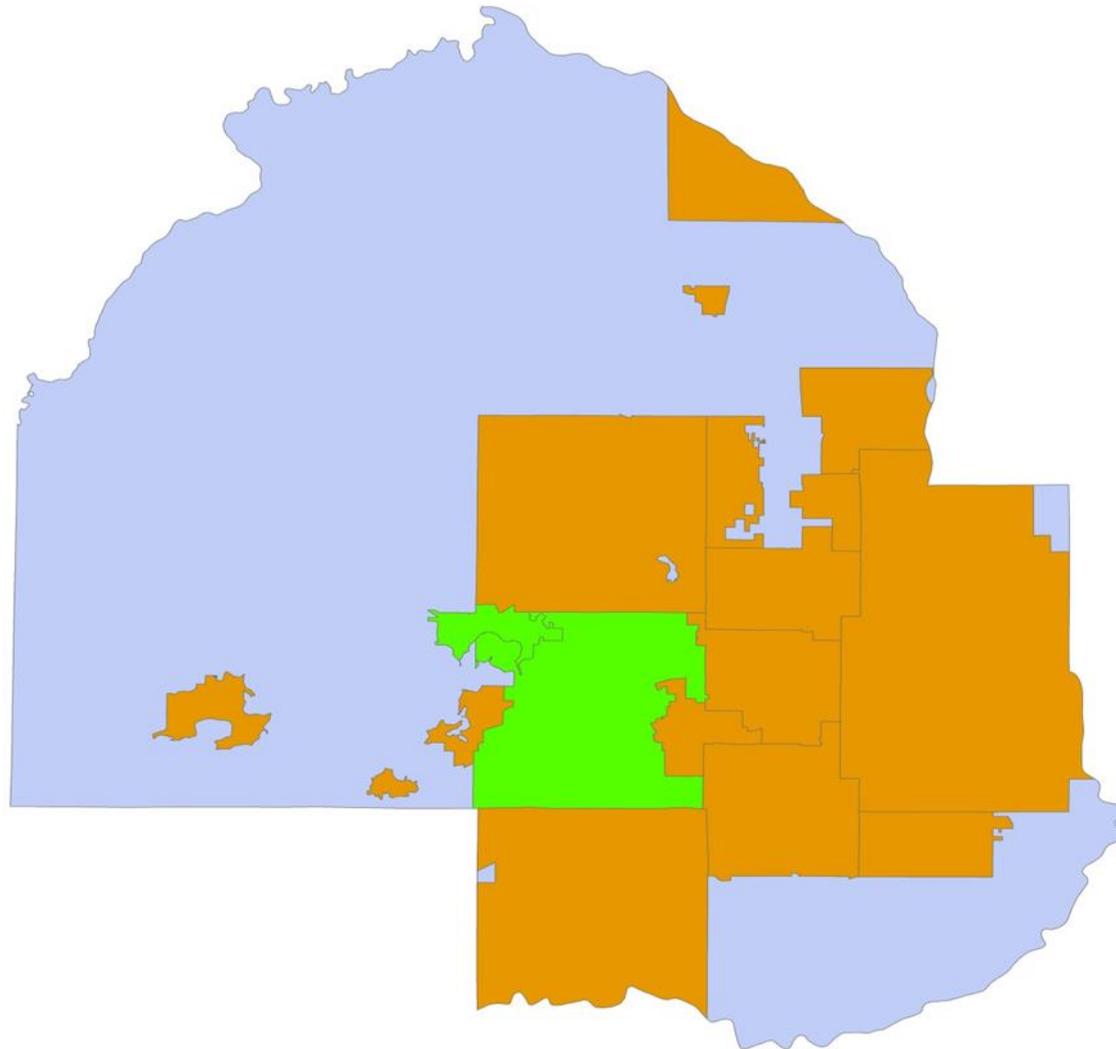
<b>Year</b>	<b>Trail Miles</b>	<b>Funds Needed to Start the Program</b>
2014	0	\$0.00
2015	0	\$0.00
2016	0	\$0.00
2017	0.5	\$600,000
2018	1.0	\$630,000
2019	1.0	\$661,500
2020	1.0	\$694,575
2021	1.0	\$729,304
2022	1.0	\$765,769
2023	1.0	\$804,057
2024	1.0	\$844,260
2025	1.0	\$886,473

# FRANCHISE FEE AREAS IN MINNESOTA AND 7 COUNTY METRO AREA



● CenterPoint    ● Xcel    ● Both CenterPoint & Xcel

# HENNEPIN COUNTY



● CenterPoint

● Xcel

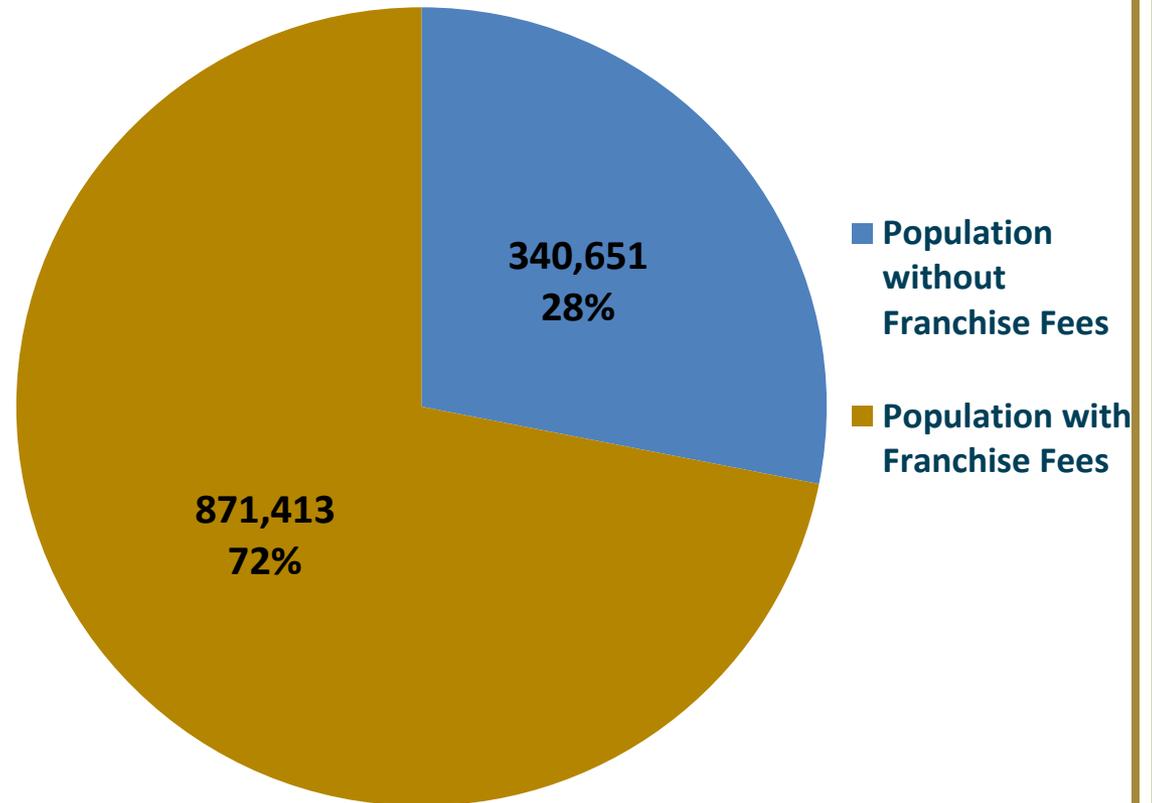
● Both CenterPoint & Xcel

# FRANCHISE FEE WORK IN HENNEPIN COUNTY

Location	Franchise Fee Use
Brooklyn Center	Capital Projects Fund- Street reconstruction fund for street projects
Champlin	Capital Projects Fund- Infrastructure Replacement
Eden Prairie	Capital Projects Fund - Pavement Management
Edina	Capital Projects Fund- sidewalks and bike trails
Golden Valley	Capital Projects Fund - street reconstruction fund for street projects (Douglas Drive)
Minneapolis	General Fund -G,E,& C for general use except PEG fees
Minnetonka	Capital Projects Fund - Burial of electric lines and street lighting
New Hope	General Fund- Has had for 15 years, was going to EDA until LGA cuts, now in General fund
Plymouth	Capital Projects Fund - Street reconstruction fund for street projects
Richfield	Capital Projects Fund - Overlay, sealcoating and removal of diseased trees.
St. Louis Park	Capital Projects Fund - City's Pavement Management Program

# POPULATION AND FRANCHISE FEES

Cities with Franchise Fees	Population
Brooklyn Center	30,712
Champlin	23,797
Deephaven	3,747
Eden Prairie	62,603
Edina	49,376
Excelsior	2,245
Golden Valley	20,845
Hopkins	18,025
Minneapolis	400,070
Minnnetonka	51,368
Mound	9,270
New Hope	20,787
Osseo	2,476
Plymouth	73,987
Richfield	36,175
Robinsdale	14,302
St. Louis Park	47,411
Wayzata	4,217
<b>TOTAL</b>	<b>871,413</b>
 Hennepin County Total Population	 1,212,064



# POTENTIAL REVENUE SOURCE PMP OVERLAY AND TRAIL PROGRAM

Year	Street Overlay Funds	Park Trails	ROW Trails	Total Need	Franchise Fee	Fund Balance
2016	1,053,947		500,000	1,553,947	\$2,649,089	\$1,095,142
2017	1,264,736	600,000	500,000	2,364,736	\$3,532,119	\$2,262,525
2018	1,580,921	630,000	500,000	2,710,921	\$3,532,119	\$3,083,723
2019	2,055,197	661,500	500,000	3,216,697	\$3,532,119	\$3,399,146
2020	2,774,515	694,575	700,000	4,169,090	\$3,532,119	\$2,762,174
<b>2021</b>	<b>3,051,967</b>	<b>729,304</b>	<b>700,000</b>	<b>4,481,271</b>	<b>\$4,748,469</b>	<b>\$3,029,372</b>
2022	3,204,565	765,769	800,000	4,770,334	\$4,748,469	\$3,007,507
2023	3,364,794	804,057	800,000	4,968,851	\$4,748,469	\$2,787,125
2024	3,533,033	844,260	660,000	5,037,294	\$4,748,469	\$2,498,301
2025	3,709,685	886,473	660,000	5,256,158	\$4,748,469	\$1,990,611
<b>2026</b>	<b>3,895,169</b>	<b>930,797</b>	<b>693,000</b>	<b>5,518,966</b>	<b>\$5,964,819</b>	<b>\$2,436,464</b>
2027	4,089,928	977,337	727,650	5,794,914	\$5,964,819	\$2,606,369
2028	4,294,424	1,026,204	764,033	6,084,660	\$5,964,819	\$2,486,527
2029	4,509,145	1,077,514	802,234	6,388,893	\$5,964,819	\$2,062,453
2030	4,734,603	1,131,389	842,346	6,708,338	\$5,964,819	\$1,318,934
<b>2016 to 2020, Rate Structure identical to St. Louis Park</b>						
<b>2021 to 2025, Added \$1.50 to each rate</b>						
<b>2026 to 2030, Added \$1.50 to each rate</b>						



# STRATEGIC PRIORITIES

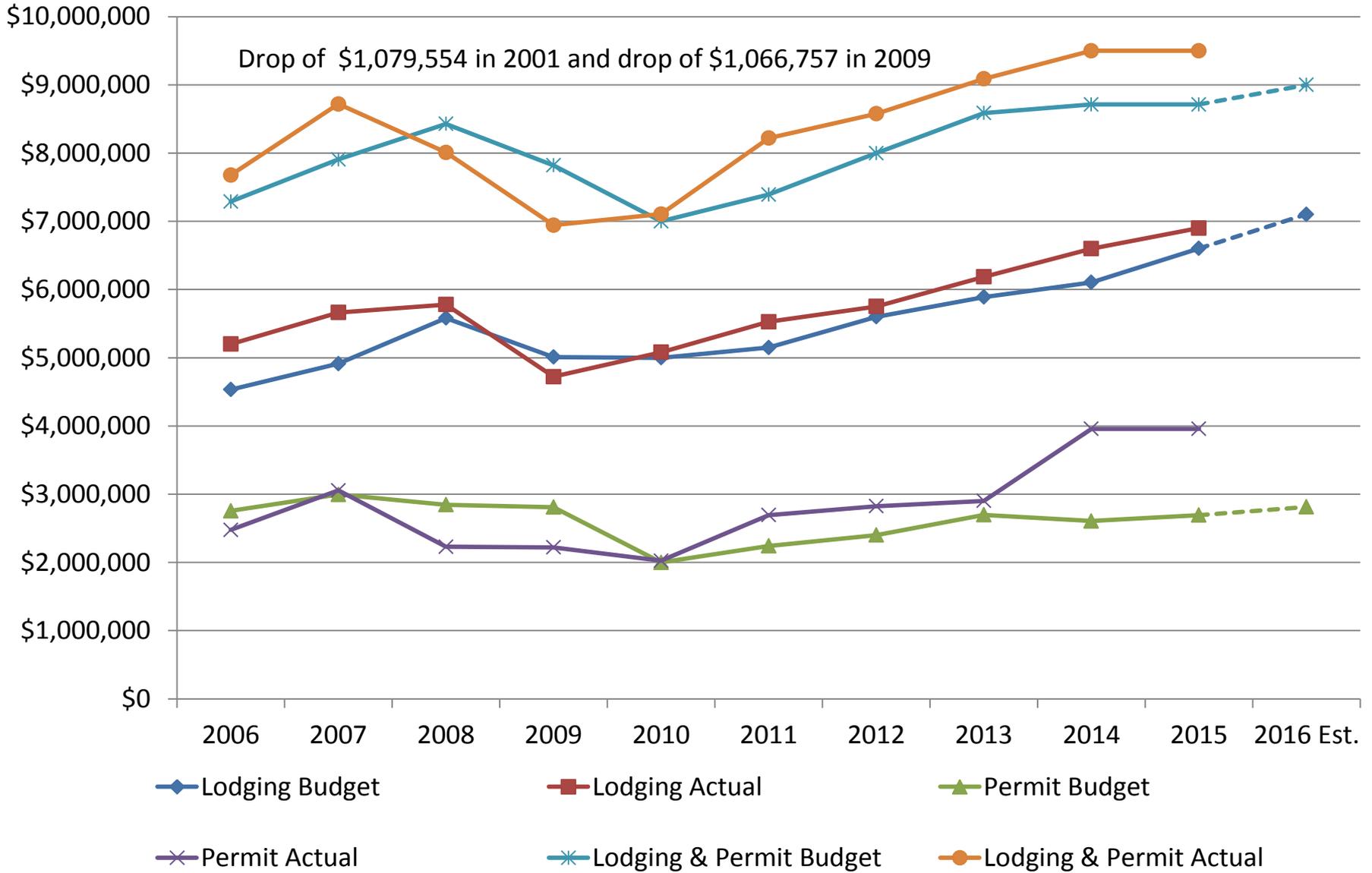
Strategic Priorities		Expected	Modeling				
			2015	2016	2017	2018	2019
Revenues							
Property Taxes		363,536	zero	732,000	500,000	500,000	500,000
Market Value Homestead Credit							
Local Governmental Aid		561,071	628,207	628,207	628,207	628,207	628,207
Interest (Mkt Value Adj)		15,000	15,000	15,000	15,000	15,000	15,000
Transfers In							
	General Fund-Positive Performance	525,000					
	Information Systems Repayment		200,000	200,000	200,000	200,000	200,000
	Hyland Green ? Repayment						
Total Revenues		1,464,607	843,207	1,575,207	1,343,207	1,343,207	1,343,207

Strategic Priorities	Expected	Modeling				
	2015	2016	2017	2018	2019	2020
<b>Expenditures</b>						
Operating Transfers Out						
Bloomington Fire Relief- Pension Obligatio	1,313,600.00	1,057,350.00	1,000,000.00	1,000,000.00	500,000.00	500,000.00
Match Funds for HRA Deferred Home Impr	-					
Dirty Dozen Funding (Acquire and Demo)	200,000.00					
Dwan Bldg Project & Golf Course		225,000.00				
Parks, Boulevards and Median Maintenanc	-					
IS- ERP System, GIS and other IT projects	-					
Parks Revitalization Plan (A)	-					
Alternative Transportation Plan (B)	43,613.93					
<b>Available for projects</b>		500,000.00	500,000.00	500,000.00	800,000.00	900,000.00
Audit & Accounting	2,000.00					
Prof Svs - Oth- OCAB	780,792.45					
<b>Total Expenditures</b>	<b>2,340,006.38</b>	<b>1,782,350.00</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>1,300,000.00</b>	<b>1,400,000.00</b>
<b>Net Income (Loss)</b>	(875,399.38)	(939,143.00)	75,207.00	(156,793.00)	43,207.00	(56,793.00)
<b>Beginning Fund Balance</b>	3,669,431.01	2,794,031.63	1,854,888.63	1,930,095.63	1,773,302.63	1,816,509.63
<b>Ending Fund Balance</b>	<b>2,794,031.63</b>	<b>1,854,888.63</b>	<b>1,930,095.63</b>	<b>1,773,302.63</b>	<b>1,816,509.63</b>	<b>1,759,716.63</b>

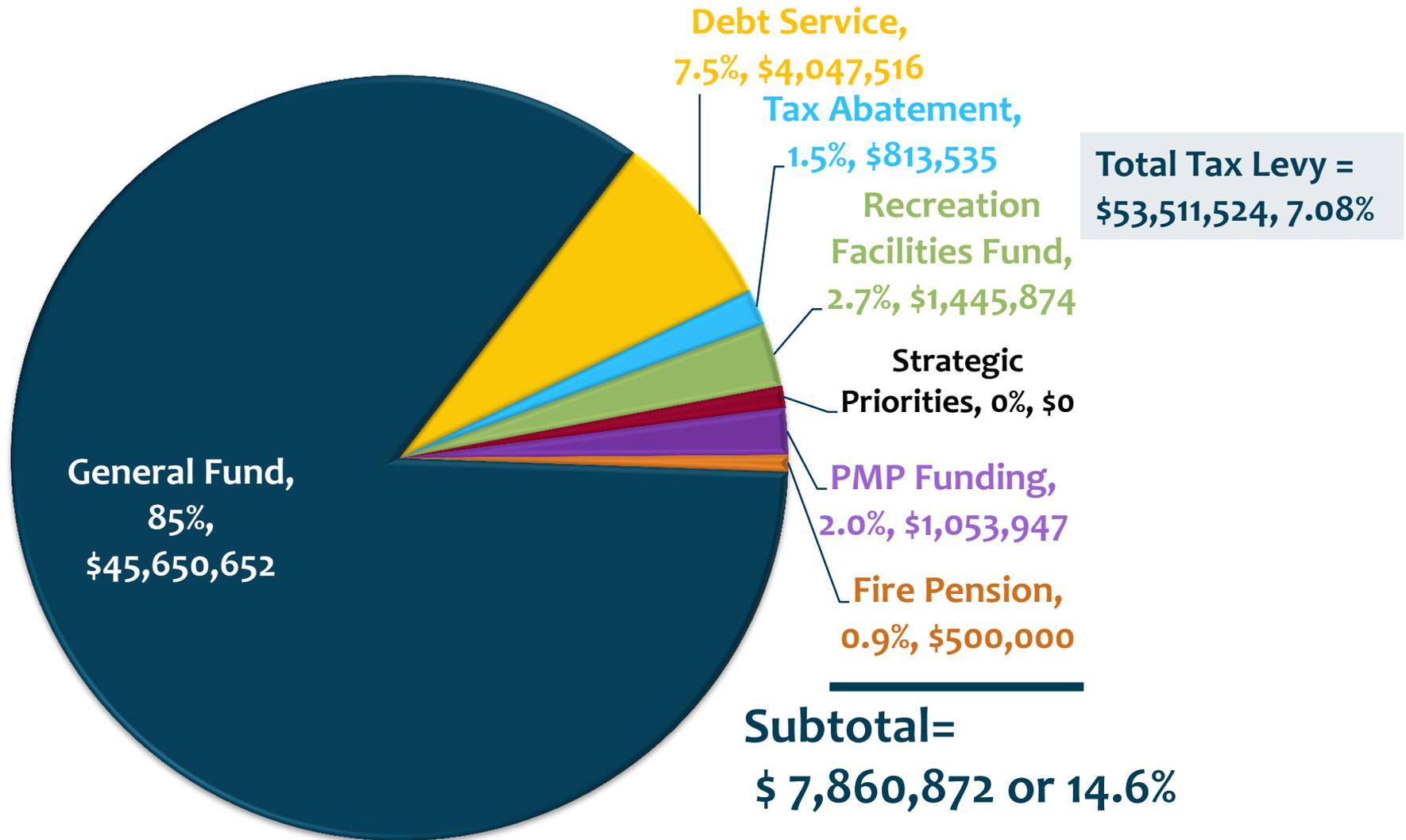


# GENERAL FUND

# LODGING AND PERMIT REVENUE



# 2016 TAX LEVY CATEGORIES

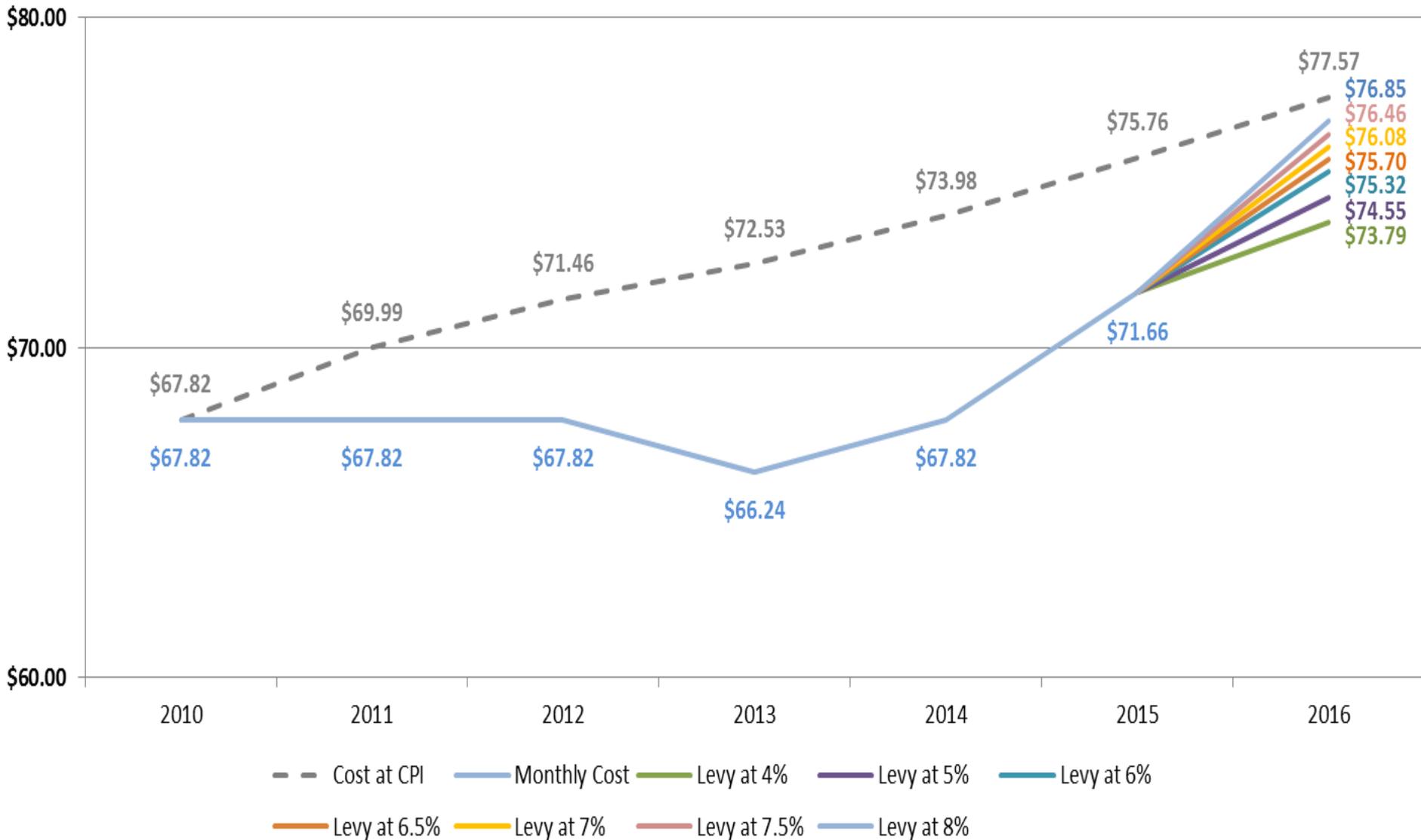


# LEVY CATEGORY CHANGES

Year	General Fund	Debt Service	Tax Abatement	Recreational Facilities	Fire Pension	Strategic Priorities	PMP Overlay	Total	Percentage Change
<i>2015 Approved</i>	42,681,276	4,041,425	555,449	1,371,995		363,536	958,134	49,971,815	4.00%
<i>Change from 2014</i>	1,722,525	(164,491)	54,399	70,113		152,615	87,103	1,921,991	
<i>% Change in Category</i>	4.2%	-3.9%	10.9%	5.4%		72.4%	10.0%	4.0%	
<i>% of Total Levy</i>	85.4%	8.1%	1.1%	2.7%		0.7%	1.9%		
<i>2016 Conceptual</i>	45,147,792	4,329,612	839,347	1,445,874	500,000	-	1,053,947	53,316,572	6.69%
<i>Change from 2015</i>	2,466,516	288,187	283,898	73,879	500,000	(363,536)	95,813	3,344,757	
<i>% Change in Category</i>	5.8%	7.1%	51.1%	5.4%	100.0%	-100.0%	10.0%	6.69%	
<i>% of Total Levy</i>	84.7%	8.1%	1.6%	2.7%	0.9%	0.0%	2.0%		
<i>2016 Preliminary</i>	45,650,652	4,047,516	813,535	1,445,874	500,000	-	1,053,947	53,511,524	7.08%
<i>Change from 2015</i>	2,969,376	6,091	258,086	73,879	500,000	(363,536)	95,813	3,539,709	
<i>% Change in Category</i>	7.0%	0.2%	46.5%	5.4%	#DIV/0!	-100.0%	10.0%	7.1%	
<i>% of Total Levy</i>	85.3%	7.6%	1.5%	2.7%	0.9%	0.0%	2.0%		
<i>Change from Conceptual</i>	502,860	(282,096)	(25,812)	-	-	-	-	194,952	

# MONTHLY COST VS. CPI INCREASE

## Median Monthly Cost of City Services vs. Cost at CPI



# 2016 LEVY OPTIONS AND HOME OWNER IMPACT

<u>Median Value</u>	Year	Levy Rate	Monthly Service		Est. Total Tax % Change
			Cost	Change	
\$228,600	2010	2.98%	\$ 67.82		
\$212,800	2011	-0.12%	\$ 67.82	\$ -	
\$207,300	2012	-0.25%	\$ 67.82	\$ -	
\$194,500	2013	4.95%	\$ 66.24	\$ (1.58)	
\$188,000	2014	3.02%	\$ 67.82	\$ 1.58	0.8%
\$206,900	2015	4.00%	\$ 71.66	\$ 3.84	1.6%
<u>Median Value</u>	<i>2016 Options</i>				
\$219,700	2016	4.00%	\$ 73.79	\$ 2.13	0.9%
		5.00%	\$ 74.55	\$ 2.89	1.1%
		6.00%	\$ 75.32	\$ 3.66	1.4%
		6.50%	\$ 75.70	\$ 4.04	1.6%
		7.00%	\$ 76.08	\$ 4.42	1.7%
		7.50%	\$ 76.46	\$ 4.80	1.9%
		8.00%	\$ 76.85	\$ 5.19	2.0%

# LEVY LIMITS

Currently, no levy limits for 2016.

# DISCUSSION OBJECTIVES

1. 2016 Preliminary Levy and Budget Review Status
2. Forecast Options and Decisions
3. Getting Direction for 2016 Preliminary Levy

