

CITY OF BLAINE 2019 BUDGET

TAX BASE UPDATE;
LEVY DISCUSSION

May 3, 2018

2019 TAX BASE

Strong overall growth

- *Overall 7.8%*
- Inflation – 5.4%
- New Construction – 2.4%

2019 TAX BASE

Strong overall growth

2018 TMV - \$6,178,075,416

Inflation 331,228,638

New Const. 153,695,300

\$6,662,999,354

2019 TAX BASE

Residential remains driving force;

- Residential up 8.8%
- Single Family accounts for about 91%,
Apartments about 9%
- Inflation - 6.3%
- New - 2.5%

2019 TAX BASE

CI – Inflationary growth and new construction

- C/I up 4.3%
- Inflation – 1.8%
- New - 2.5%

2019 TAX BASE

Average/Median Residential Properties

➤ 2018

➤ Average – \$209,500

➤ Median - \$184,600

➤ 2019

➤ Average – \$234,100

➤ Median - \$204,600

2019 TAX BASE

Blaine comprises one-fifth of all value in Anoka County

- 20% of all AC residential value is in Blaine
- 24% of all AC C/I value is in Blaine

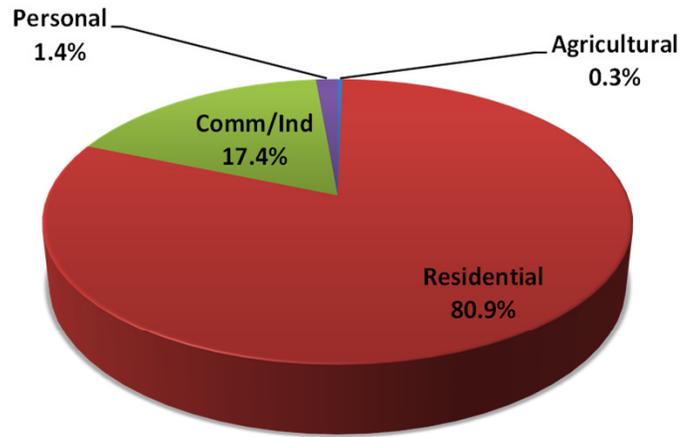
2019 TAX BASE

Blaine spurs Anoka County growth

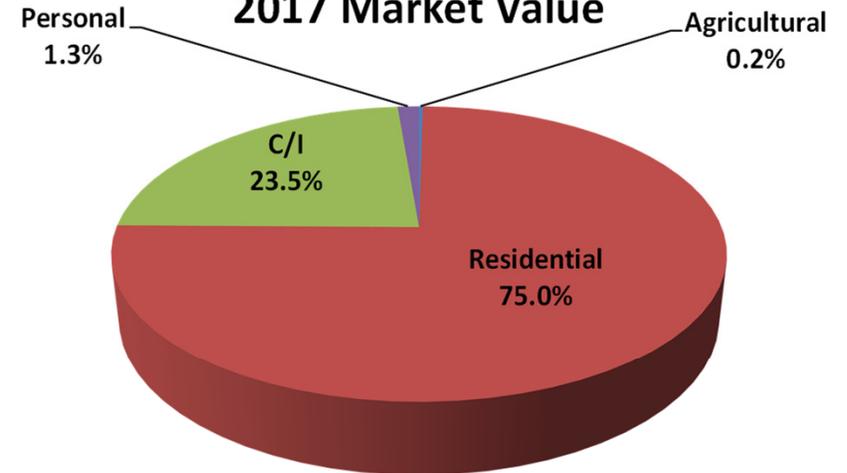
- 30% of all new construction in AC
- 31% of new residential in AC
- 25% of new CI in Anoka County

2016-19 TAX BASE – MKT. VALUE

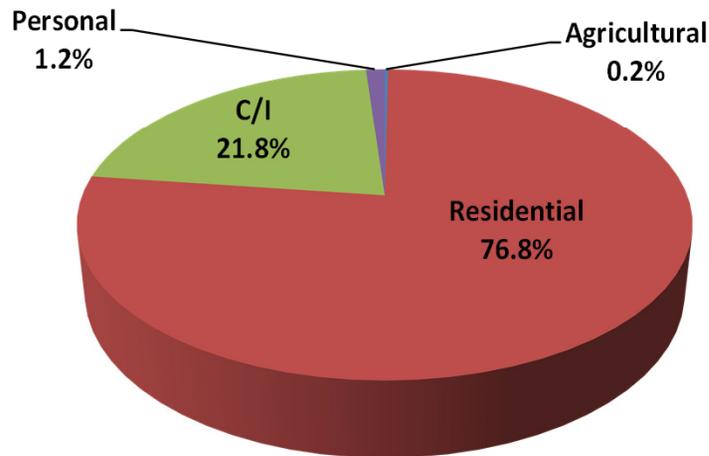
2016 MARKET VALUE



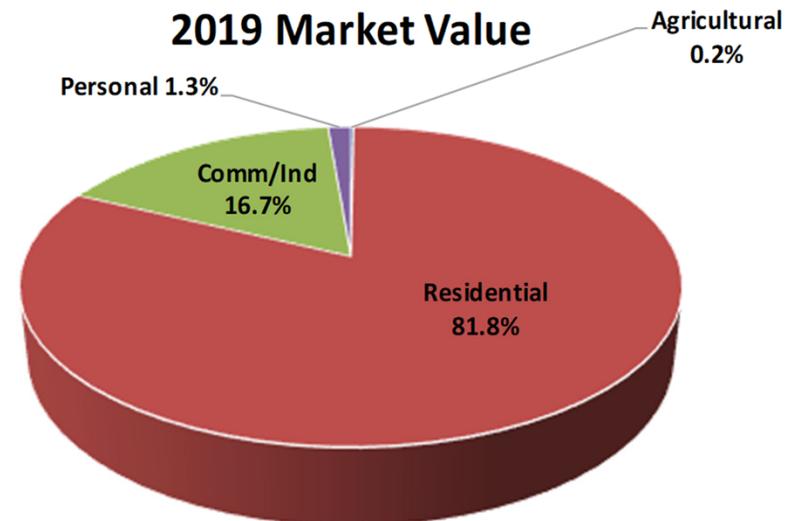
2017 Market Value



2018 Market Value

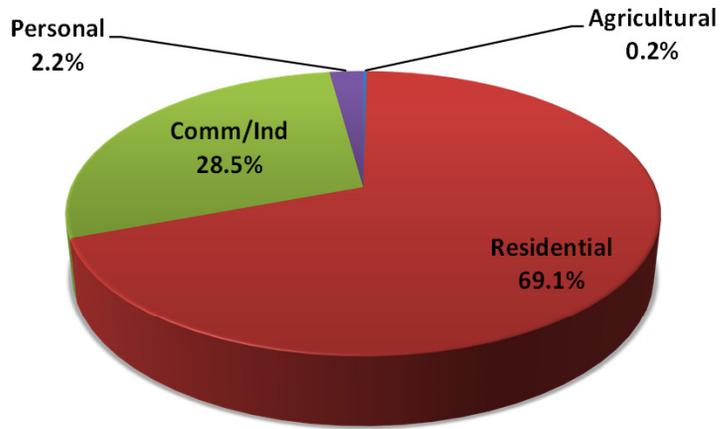


2019 Market Value

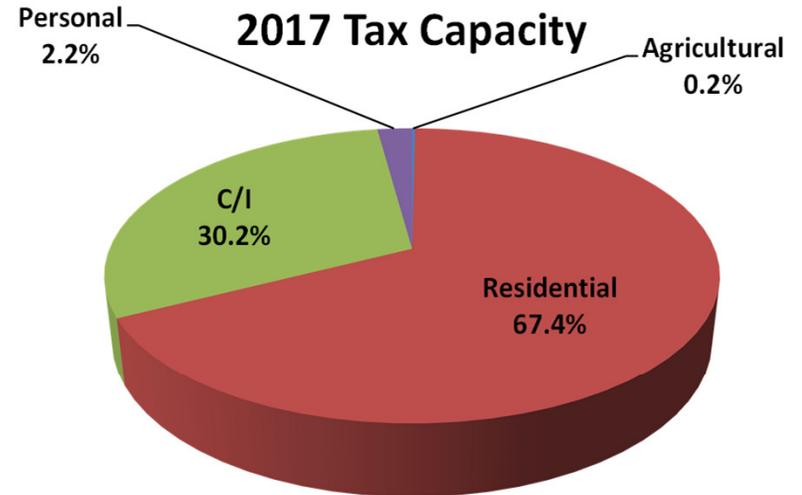


2016-19 TAX BASE – TAX CAP VALUE

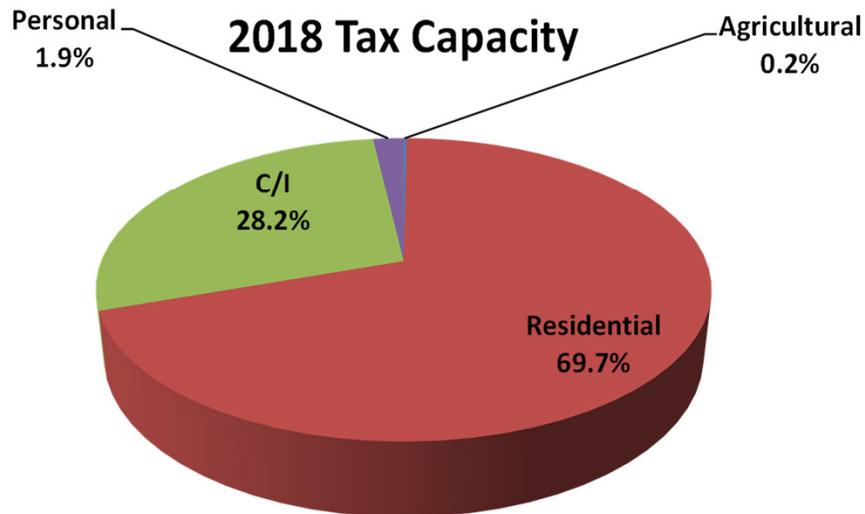
2016 TAX CAPACITY



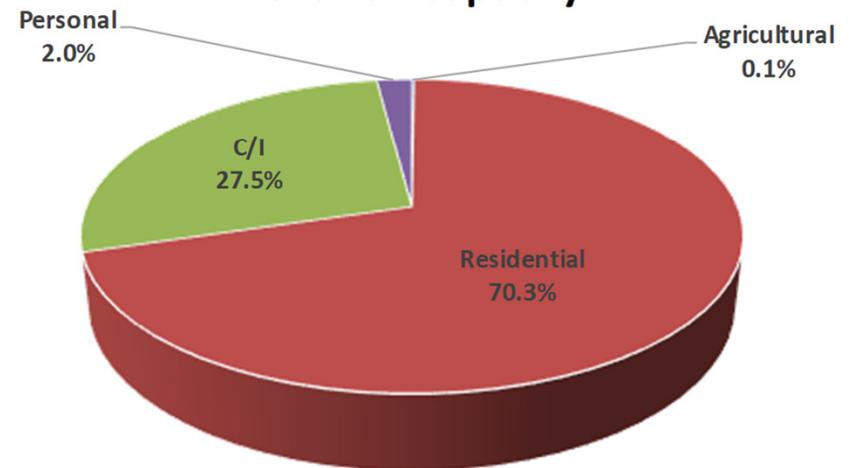
2017 Tax Capacity



2018 Tax Capacity



2019 Tax Capacity



2019 TAX LEVY

Initial Working Premise:

- Total of all levies set at an amount such that same overall tax rate as 2018 – **36.842%**
- Total of all levies set at an amount such that same overall tax rate as 2016/17 – **35.983%**

2019 TAX LEVY

Total tax base growth allows for increase in levies of:

- \$1.5MM if rate = 2016/17
 - Inflation = \$868,750
 - New Construction = \$650,000
- \$2.14MM if rate = 2018
 - Inflation = \$1,463,750
 - New Construction = \$650,00

2019 PRELIMINARY TAX LEVY

Allocating the 2019 Tax Levy

- General Fund
- EDA
- PMP
- Parks, Trails
- Capital Equipment

2019 PRELIMINARY TAX LEVY

	<u>2018 Levy</u>	<u>Tax Rate</u>
General Fund	\$ 22,382,025	30.194%
PMP	\$ 500,000	0.774%
Debt Service	\$ 3,281,250	4.401%
EDA	\$ 650,000	0.854%
Parks, Trails	\$ 400,000	0.619%
	\$ 27,213,275	36.842%

2019 PRELIMINARY TAX LEVY

2019 Levy

2018 Total Levy \$ 27,213,275

Additional Capacity \$ 2,113,750

2019 Total Levy \$ 29,327,025

2019 Tax Rate 36.842%
(Preliminary)

2019 PRELIMINARY TAX LEVY

	<u>2018 Levy</u>	<u>2019 Add'l Cap Allocation</u>	<u>2019 Prelim Levy</u>
General Fund	\$ 22,382,025	\$ 1,445,000	\$ 23,827,025
PMP	\$ 500,000	\$ -	\$ 500,000
Debt Service	\$ 3,281,250	\$ 668,750	\$ 3,950,000
EDA	\$ 650,000	\$ -	\$ 650,000
Parks, Trails	\$ 400,000	\$ -	\$ 400,000
	\$ 27,213,275	\$ 2,113,750	\$ 29,327,025
<u>Tax Rate</u>			36.842%

2019 PRELIMINARY TAX LEVY

2019 Levy

2018 Total Levy \$ 27,213,275

Additional Capacity \$ 1,518,750

2019 Total Levy \$ 28,732,025

2019 Tax Rate 35.983%
(Preliminary)

2019 PRELIMINARY TAX LEVY

	<u>2018 Levy</u>	<u>2019 Add'l Cap Allocation</u>	<u>2019 Prelim Levy</u>
General Fund	\$ 22,382,025	\$ 850,000	\$ 23,232,025
PMP	\$ 500,000	\$ -	\$ 500,000
Debt Service	\$ 3,281,250	\$ 668,750	\$ 3,950,000
EDA	\$ 650,000	\$ -	\$ 650,000
Parks, Trails	\$ 400,000	\$ -	\$ 400,000
	\$ 27,213,275	\$ 1,518,750	\$ 28,732,025
<u>Tax Rate</u>			35.983%

2019 BUDGET OUTLOOK

Revenue – overall modest growth

- Development
 - Building permits – Return to 2016 base
 - Residential platting
 - SFH – flat
 - Multi-family – similar to 2017, 2018
 - C/I growth – moderate to strong?
 - Mechanical permits
 - Plan reviews

2019 BUDGET OUTLOOK

Tax Levy

Be cautious of inflationary growth

- Future bubble?
- Inflated service levels?
- Demonstrated need/justified spending
- Shifting paradigms, change model

2019 BUDGET OUTLOOK

Seeking Direction from Council:

- Target levy
- Allocation of levy
 - EDA
 - PMP
 - Parks, Trails
- **2019 Budget**
 - Service levels
 - Prioritization

2019 GENERAL FUND BUDGET

Budget Calendar

- **May** – Establish tax levy direction, expectations
- **June** – Review/refine program, service assumptions

2019 GENERAL FUND BUDGET

Budget Calendar

- **July** – Review draft budget; further refine assumptions; begin prioritization of programs
- **August** – Draft 2019 preliminary tax levy and 2019 budget

2019 GENERAL FUND BUDGET

Budget Calendar

- **September** – Adopt preliminary tax levy, GF budget; Establish target levy and service levels
- **October-November** – Prioritize, reprioritize based on targeted service levels and ability to fund

2019 GENERAL FUND BUDGET

Budget Calendar

- **December** – Complete prioritization process; adopt 2019 Levy and GF Budget

