



# Blaine City Council Workshop

2021 General Fund Budget Development

September 9, 2020

# 2021 Budget Goals

- ▶ Anticipate Financial Uncertainty (Downturn)
- ▶ Maintain Tax Rate (Per WS Discussions)
- ▶ Development of Realigned Base Budget
- ▶ Consistent With Strategic Plan
- ▶ Address Service/Organizational Needs

# Base Budget Development

- ▶ Dept. Heads scrutinized budget
- ▶ Efficiencies, adjustments, savings identified
- ▶ Rental assistance
- ▶ Personnel-related costs = Largest expense in operational budgets
- ▶ 3% wage adjustment; \$50/mo. benefits contribution included
  - ▶ As approved in all Collective Bargaining Agreements
  - ▶ Over half of employees in CBA's
- ▶ Result: 2021 Base Budget is 1.1% above 2020 Adopted Budget
  - ▶ Impressive given the personnel-related costs

# Base Budget Highlights

- ▶ General Fund Reductions Identified
- ▶ Examples
  - ▶ Supplies budget reduced 3.2% (\$70,000)
  - ▶ Travel, training, schools reduced 13%
  - ▶ Dues, subscriptions reduced 28%
  - ▶ Training materials reduced 35%
- ▶ Allows room for necessary budget additions

# Additional Budget Requests

- ▶ Departments allowed to submit requests for budget additions
- ▶ Two types - New/enhanced program; new position
- ▶ Can accommodate requests and still achieve lower tax rate
- ▶ Budget requests still being considered and evaluated

# New/Enhanced Program Request

- ▶ 1 Enhanced Program Request - Additional Funding to remove diseased trees from City property, ROW
- ▶ Includes stump grinding
- ▶ Primary focus is hazardous trees
- ▶ One-year request
- ▶ Council policy decision
- ▶ Staff compiling data

# New Position Requests

- ▶ 16 submitted
  - ▶ 2 removed from consideration
  - ▶ 8 new FTE under review
    - ▶ 1 non-General Fund
    - ▶ 3 Police
- ▶ 5 upgrades/alterations to current positions
- ▶ 1 shared position (3 other agencies)

# Considerations For New Position Requests

- ▶ Workload impacts
- ▶ Service level impacts
- ▶ Organizational need
  - ▶ Succession planning
  - ▶ Span of control issues
  - ▶ Need for enhanced knowledge base at Senior level
- ▶ Public Safety impacts
  - ▶ Maximize current sworn staffing levels
  - ▶ Embrace best practices in policing



# 2021 CM Preliminary Expenditure Budget

GENERAL FUND											
	2020	2021	2021	2021		2021	2021				
	Adopted	June 2020 Proposed	Finance Adjustments	2021 Proposed		Decision Packages I	2021 Preliminary A		Decision Packages II	2021 Preliminary B	
EXPENDITURES											
Legislative	454,110	456,990	1,000	457,990	0.9%	-	457,990	0.9%	-	457,990	0.9%
Administration	2,371,025	2,175,950	(13,990)	2,161,960	-8.8%	-	2,161,960	-8.8%	-	2,161,960	-8.8%
Finance	2,838,890	2,831,845	11,600	2,843,445	0.2%	150,000	2,993,445	5.4%	97,000	3,090,445	8.9%
Safety Services (net SBM Fire)	14,274,200	14,560,675	65,520	14,626,195	2.5%	103,120	14,729,315	3.2%	110,200	14,839,515	4.0%
SBM Fire	2,202,950	2,172,850	29,150	2,202,000	0.0%	-	2,202,000	0.0%	-	2,202,000	0.0%
Public Works	8,199,550	8,540,465	(100,515)	8,439,950	2.9%	212,100	8,652,050	5.5%	-	8,652,050	5.5%
Public Services	1,735,535	1,654,810	(16,320)	1,638,490	-5.6%	96,700	1,735,190	0.0%	-	1,735,190	0.0%
Community Development	2,204,060	2,266,880	-	2,266,880	2.9%	37,790	2,304,670	4.6%	-	2,304,670	4.6%
Unallocated Services	435,000	435,000	-	435,000	0.0%	-	435,000	0.0%	-	435,000	0.0%
Total Expenditures	34,715,320	35,095,465	(23,555)	35,071,910	1.0%	599,710	35,671,620	2.8%	207,200	35,878,820	3.4%

**Diligent Base Budget preparation provides opportunities to address strategic priorities and re-examine tax levy**



# 2021 Tax Levy

# 2021 Estimated Tax Base

- ▶ Updated Information from AC
- ▶ Stronger growth than anticipated
  - ▶ Initial Net Tax Capacity Estimate -  
**\$93,398,700**
  - ▶ August 31 Anoka County Estimate -  
**\$94,247,344**

# 2021 Estimated Tax Rate

- ▶ Initial direction was to levy to a rate = to 2020 Rate (36.802%)
- ▶ Based on initial staff estimates, would allow for \$2,285,000 in additional levy capacity
- ▶ Updated Information from AC would bring estimated tax rate to 36.484%

# 2021 Prelim Tax Levy

July 15

August 31

		<u>2020 Levy</u>	2021 Add'l Cap <u>Allocation</u>	2021 <u>Prelim Levy</u>
General Fund	\$	25,900,000	\$ 2,435,000	\$ 28,335,000
PMP	\$	100,000	\$ -	\$ 100,000
Debt Service	\$	4,875,000	\$ 25,000	\$ 4,900,000
EDA	\$	825,000	\$ (175,000)	\$ 650,000
Parks, Trails	\$	350,000	\$ -	\$ 350,000
	\$	<b>32,050,000</b>	<b>\$ 2,285,000</b>	<b>\$ 34,335,000</b>
<u>Tax Rate</u>				<b>36.802%</b>

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	\$	<b>32,050,000</b>	<b>\$ 2,285,000</b>	<b>\$ 34,335,000</b>
<u>Tax Rate</u>				<b>36.484%</b>

# 2021 CM Preliminary Budget

GENERAL FUND									
	2020	2021	2021	2021	2021				
	Adopted	June 2020 Proposed	2021 Proposed	Decision Packages I	2021 Preliminary A		Decision Packages II	2021 Preliminary B	
Beginning Reserve	\$ 10,628,000	\$ 10,833,280	\$ 10,833,280		\$ 10,833,280				
REVENUES									
Net Levy	25,900,000	25,900,000	26,500,000	1,835,000	28,335,000	9.4%	-	28,335,000	9.4%
Licenses & permits	2,394,000	2,116,750	2,116,750	-	2,116,750	-11.6%	-	2,116,750	-11.6%
Intergovernmental revenues	1,615,500	1,430,500	1,430,500	-	1,455,500	-9.9%	-	1,455,500	-9.9%
Charges for services	4,532,100	4,451,650	4,451,650	-	4,451,650	-1.8%	-	4,451,650	-1.8%
Fines & Forfeits	245,500	245,500	245,500	-	245,500	0.0%	-	245,500	0.0%
Investment income	128,000	155,000	155,000	-	155,000	21.1%	-	155,000	21.1%
Miscellaneous	105,500	80,000	80,000	-	80,000	-24.2%	-	80,000	-24.2%
Total Revenues	34,920,600	34,379,400	34,979,400	1,835,000	36,839,400	5.5%	-	36,839,400	5.5%
EXPENDITURES									
Legislative	454,110	456,990	457,990	-	457,990	0.9%	-	457,990	0.9%
Administration	2,371,025	2,175,950	2,161,960	-	2,161,960	-8.8%	-	2,161,960	-8.8%
Finance	2,838,890	2,831,845	2,843,445	150,000	2,993,445	5.4%	97,000	3,090,445	8.9%
Safety Services (net SBM Fire)	14,274,200	14,560,675	14,626,195	103,120	14,729,315	3.2%	110,200	14,839,515	4.0%
SBM Fire	2,202,950	2,172,850	2,202,000	-	2,202,000	0.0%	-	2,202,000	0.0%
Public Works	8,199,550	8,540,465	8,439,950	212,100	8,652,050	5.5%	-	8,652,050	5.5%
Public Services	1,735,535	1,654,810	1,638,490	96,700	1,735,190	0.0%	-	1,735,190	0.0%
Community Development	2,204,060	2,266,880	2,266,880	37,790	2,304,670	4.6%	-	2,304,670	4.6%
Unallocated Services	435,000	435,000	435,000	-	435,000	0.0%	-	435,000	0.0%
Total Expenditures	34,715,320	35,095,465	35,071,910	599,710	35,671,620	2.8%	207,200	35,878,820	3.4%
Safe Margin of Rev/Exp	205,280	(716,065)	(92,510)		1,167,780			960,580	

Opportunity for additional levy reduction/reallocation

# 2021-26 Budget Projection

GENERAL FUND								
	2020			2022	2023	2024	2025	2026
	Adopted	2021 Preliminary B		Projected	Projected	Projected	Projected	Projected
Beginning Reserve	\$ 10,628,000			\$ 12,001,060	\$ 12,855,370	\$ 13,778,710	\$ 14,430,890	\$ 15,914,405
REVENUES								
Net Levy	25,900,000	28,335,000	9.4%	29,660,000	30,810,000	31,985,000	33,685,000	35,335,000
Licenses & permits	2,394,000	2,116,750	-11.6%	1,992,750	1,850,000	1,850,000	1,850,000	1,850,000
Intergovernmental revenues	1,615,500	1,455,500	-9.9%	1,505,000	1,539,700	1,574,600	1,599,700	1,620,000
Charges for services	4,532,100	4,451,650	-1.8%	4,098,000	4,137,900	4,179,550	4,223,275	4,268,975
Fines & Forfeits	245,500	245,500	0.0%	213,000	213,000	213,000	213,000	213,000
Investment income	128,000	155,000	21.1%	155,000	155,000	155,000	155,000	155,000
Miscellaneous	105,500	80,000	-24.2%	99,000	100,000	100,000	100,000	100,000
Total Revenues	34,920,600	36,839,400	5.5%	37,722,750	38,805,600	40,057,150	41,825,975	43,541,975
EXPENDITURES								
Legislative	454,110	457,990	0.9%	466,490	474,990	483,490	494,290	505,090
Administration	2,371,025	2,161,960	-8.8%	2,430,410	2,283,190	2,564,630	2,411,800	2,706,880
Finance	2,838,890	3,090,445	8.9%	3,173,980	3,262,860	3,449,400	3,546,700	3,646,890
Safety Services (net SBM Fire)	14,274,200	14,839,515	4.0%	15,167,060	15,794,140	16,306,840	16,836,760	17,384,430
SBM Fire	2,202,950	2,202,000	0.0%	2,268,060	2,336,100	2,406,180	2,478,370	2,552,720
Public Works	8,199,550	8,652,050	5.5%	8,759,580	8,982,370	9,211,650	9,447,580	9,690,390
Public Services	1,735,535	1,735,190	0.0%	1,785,020	1,850,090	1,995,350	2,053,580	2,128,360
Community Development	2,204,060	2,304,670	4.6%	2,377,830	2,453,340	2,531,290	2,611,730	2,694,760
Unallocated Services	435,000	435,000	0.0%	440,010	445,180	456,140	461,650	473,070
Total Expenditures	34,715,320	35,878,820	3.4%	36,868,440	37,882,260	39,404,970	40,342,460	41,782,590
Safe Margin of Rev/Exp	205,280	960,580		854,310	923,340	652,180	1,483,515	1,759,385

# 2021 Preliminary Tax Levy & Budget

**September 21 Council Meeting -**

**Adopt preliminary tax levy, GF budget**