



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Details (With Text)

File #: WS 18-34 **Version:** 1 **Name:** 2019 GF Budget Discussion I
Type: Workshop Item **Status:** Agenda Ready
File created: 5/10/2018 **In control:** City Council Workshop
On agenda: 5/10/2018 **Final action:**
Title: 2019 BUDGET - DISCUSSION ON TAX BASE AND ESTABLISHING PRELIMINARY GENERAL FUND BUDGET GUIDELINES
Sponsors: Joe Huss
Indexes:
Code sections:
Attachments: 1. 2019 Budget & Tax Levy I

Date	Ver.	Action By	Action	Result
5/3/2018	1	City Council Workshop	Postponed	

WORKSHOP ITEM - *Joe Huss, Finance Director*

2019 BUDGET - DISCUSSION ON TAX BASE AND ESTABLISHING PRELIMINARY GENERAL FUND BUDGET GUIDELINES

Staff has received initial valuation estimates from the Anoka County Assessor's Office of properties appraised in the last quarter of 2017. These values will be used to calculate the tax rate for the property tax levy that Council will approve for the 2019 budget. Per the County Assessor, Blaine's total taxable market value increased about 8% over the previous year. Most of the growth (5.4%) is inflationary and continues to occur in the Residential sector. The Commercial/Industrial sector experienced stable growth overall with a 4.3% increase, with existing C/I properties seeing a 1.8% increase and new construction accounting for the remainder of the C/I growth.

Blaine continues to lead Anoka County in development, accounting for nearly 30% of all new construction in Anoka County, including 31% of all new single-family residential construction and 25% of all new C/I construction. The average residential property value in Blaine increased from \$209,500 to \$234,000 (11.7%), while the median residential value increased from \$184,600 to \$204,600 (10.8%)

Taking this growth into consideration, and factoring other tax base adjustments such as Tax Increment Financing Districts and Fiscal Disparities, current estimates indicate that the overall tax levy, including all City and EDA tax levies, could increase about \$2.1 million and still yield the same tax rate as that of 2018 - 36.842%. The 2018 tax levy produced a rate that was about .86% higher than the 2017 tax rate. If the target tax rate were to revert to that of 2017 (35.983%), staff estimates that would yield a total levy that is about \$1.5 million above the 2018 total levy.

Staff will present additional information as to the breakdown of the levy as well as a reminder that 2019 spending estimates are still being formulated and prioritized.

Staff is seeking Council direction regarding the 2019 preliminary levy and that Council provide further direction and guidelines for staff with respect to the 2019 General Fund Budget.