



City of Blaine Anoka County, Minnesota

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WORKSHOP ITEM - *Joe Huss, Finance Director*

CITY MANAGER'S PRELIMINARY 2021 GENERAL FUND BUDGET AND TAX LEVY

At the August 10, 2020 Workshop, staff presented to Council a preliminary budget and tax levy and discussed the next step in budget development - the City Manager's Preliminary 2021 General Fund Budget. This budget will serve as a recommendation for the 2021 Preliminary Budget and Tax Levy that is scheduled for Council approval on September 21, 2020.

2021 Preliminary Tax Levy

The City Council is required to annually adopt a preliminary levy before the end of September and certify that levy to the County. Once certified, the levy cannot be increased; it can only be decreased. Blaine's 2020 overall tax rate is 36.802% and Council consensus was to proceed as in prior years and develop a levy that, in total, produced the same overall tax rate as that of 2020. One of the challenges that Blaine staff has faced in 2020 is getting accurate, up-to-date property valuation data. Staff took a cautious, conservative approach in estimating the 2020/21 tax base and had determined that a levy that produced the same overall tax rate in 2021 as that of 2020 was more than adequate to support City operations. Within the last day, staff has received updated information from Anoka County that indicates there is an opportunity to adopt a levy that actually lowers the City's tax rate yet still provides sufficient revenue to support 2021 operations. Staff has been analyzing this information and will provide an update for Council at the September 9 Workshop.

2021 Preliminary General Fund Budget

As staff reported at the August 10 Workshop, 2021 Base Budget Proposals were prepared by

department heads and submitted to the City Manager for review. Department heads also prepared proposals for new or enhanced programs and staffing additions or changes that were submitted as Decision Packages for the City Manager's review. Upon review and numerous discussions, the City Manager has determined that some Decision Packages have merit for further consideration. Those packages are included in the 2021 City Manager's Preliminary Budget to be discussed at the September 9 Workshop.

Unlike the Preliminary tax levy, the Preliminary Budget can be either increased or decreased, so long as there are sufficient revenues to support the proposed operations.

Staff will present the information on the 2021 Preliminary Tax Levy as well as the City Manager's Preliminary 2021 General Fund Budget.