



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Text

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File #: WS 17-69, Version: 1

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**Workshop Item - Joe Huss, Finance Director**

### **2018 GENERAL FUND BUDGET UPDATE**

On September 7, Council adopted the preliminary General Fund Budget and Tax Levy for Certification to the County. The proposed expenditure budget totaled \$30,794,750 and included \$247,275 in unidentified balancing provisions. It was acknowledged that acceptable balancing provisions would take the form of increased non-levy revenues; expenditure reductions; reallocation of proposed General levies, and/or a combination of these three options. The total adopted preliminary tax levy was \$27,213,275 allocated as follows:

- General Fund - \$22,382,025
- EDA - \$650,000
- Pavement Management Program - \$500,000
- Debt Service - \$3,281,250
- Parks, Trails - \$400,000

Since the adoption of the preliminary budget, Anoka County has updated its market value estimates and other tax-base related information. Based on this updated information, the City's overall estimated 2018 Tax Rate is 36.776%, slightly (.125%) below the target rate of 36.901%.

With regard to the General Fund, staff has identified and is recommending certain balancing provisions that, if adopted by Council would eliminate the funding gap and provide for a safe margin of revenue over expenditures of \$141,525. Staff recommendations are as follows:

#### **Revenues**

- Increase Charges For Services by \$15,000  
*With additional revenue expected in the Communications Fund from CATV franchise funds, staff has increased the budget for Administrative charges*
- Restore the reduction in Building Permit fees by \$100,000  
*With increased activity in building inspections that resulted from the severe hailstorm that hit Blaine in June, staff had initially recommended a reduction in building permit fees for 2018, recognizing that the storm-related permits being issued in 2017 would reduce permits to be issued in upcoming years. While that still holds true, anticipated development in 2018, especially in the commercial/industrial and multi-housing sectors*

*leads staff to believe that permit fees will be at a level that was originally expected for 2017 and will offset any reductions from 2017 storm-related activity.*

### **Expenditures**

- Reduce funding for the new Communications position by half (\$43,500)  
*Delay the hiring of the position for six months to provide time to allow the position to be evaluated in the Compensation Study that staff expects will be completed in mid-second quarter of 2018.*
- Reduce funding for two new Patrol Officers by half (\$43,400)  
*Recognizes that, with the addition of these two patrol positions, six total patrol positions will be filled in 2018. The likelihood that this could be accomplished by mid-year is remote. Thus, staff would delay the hiring of the position for nine months to the third quarter of 2018.*
- Eliminate funding for the removal of cottonwood trees at the Baseball Complex  
*Staff recommendation is to consider this project as part of an overall Parks Development and Maintenance Plan. Staff further recommends that, if approved, this project be funded through the proposed Parks and Trails Maintenance and Redevelopment levy that Council included in the 2018 Proposed Levy.*

Staff is requesting Council review and direction regarding:

- 2018 Tax levies
- Staff recommendations of balancing provisions for the General Fund Budget as proposed