



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Text

File #: RES 21-187, **Version:** 1

Administration - *Joe Huss, Finance Director/Asst. City Manager*

Title

Adjusting Certain Tax Levies for Bonded Indebtedness for Fiscal Year 2022

Executive Summary

In establishing the 2022 Preliminary Tax Levy, staff is requesting that Council adjust certain scheduled debt service levies for 2022.

Background

Adoption of the attached resolution to adjust tax levies certified for bonded indebtedness is requested. The resolution includes adjustments to scheduled levies for the City's General Obligation (G.O.) Special Assessment Improvement Bonds, G.O. Capital Improvement Bonds, and the City's Capital Equipment Certificates of Indebtedness.

For G.O. Debt issues that are primarily funded through special assessments against the improved property, an analysis of deferred special assessments collections is made by the City's financial consultant at the time the bonds are issued. This typically results in a calculated deficit of available funds, thus requiring a tax levy to fund repayment of the debt. This calculated levy is certified to the County at the time the bonds are issued as a general ad valorem levy for each year. These levy amounts are reviewed annually to verify their necessity.

Finance staff has reviewed the financial position of the City's debt service funds in 2021 and has determined that certain levies should be adjusted in 2022. In 2021, the City's total debt service levy was \$4,900,000; the total proposed debt service levy for 2022 is \$4,800,000.

Strategic Plan Relationship

The Debt Service levy is a key component in meeting the city's strategic priority of Financial Stability.

Board/Commission Review

The City Council has reviewed the proposed Debt Service levy at previous Council Workshops.

Financial Impact

One of the City's guiding principles in budgeting is to establish a total dollar levy such that the combined tax rate of all levies equals the combined tax rate of the previous year. Long-term management of the debt service levy supports the City in meeting this principle and allows for strategic allocation of other levies for operations and other Council-established priorities.

Public Outreach/Input

No public notification required.

Staff Recommendation

By motion, approve following resolution

Attachment List

WHEREAS, the City of Blaine has scheduled ad valorem debt service levies for 2022 as follows:

<u>Bond Description</u>	<u>Tax Levy</u>
GO Improvement Bonds 2012A	\$ 41,503.14
GO Improvement Bonds 2013A	\$568,680.00
GO Improvement Bonds 2014A (68a)	\$ 93,430.03
GO Improvement Bonds 2014A (68b)	\$ 92,192.83
GO Equipment Capital Note 2016 (NMTV)	\$124,755.92
GO Improvement Bonds 2016A (71a)	\$201,500.33
GO Improvement Bonds 2016A (71b)	\$164,133.13
GO Improvement Bonds 2016A (71d)	\$700,140.00
GO Taxable Improvement Bonds 2017A	\$251,654.90
GO Equipment Certificate of Indebtedness 2018A	\$252,997.50
GO Improvement Bonds 2019A	\$559,381.55
GO Capital Improvement Plan Bonds 2019B	\$489,825.00
GO Improvement Bonds 2020A	\$513,084.54
GO Improvement Bonds 2021A (78A)	\$466,371.39
GO Improvement Bonds 2021A (78B)	\$120,437.63

and

WHEREAS, the City Management has analyzed the city's debt service balances and determined that the scheduled levies may be adjusted for 2022; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Blaine, Minnesota that the tax levies for bonded indebtedness for fiscal (collection) year 2022 are as follows:

<u>Bond Description</u>	<u>Tax Levy</u>
GO Improvement Bonds 2012A	\$ 30,000.0
GO Improvement Bonds 2013A	\$450,000.0
GO Improvement Bonds 2014A (68a)	\$125,000.0
GO Improvement Bonds 2014A (68b)	\$125,000.0
GO Equipment Capital Note 2016 (NMTV)	\$ -0-
GO Improvement Bonds 2016A (71a)	\$245,800.0
GO Improvement Bonds 2016A (71b)	\$200,200.0
GO Improvement Bonds 2016A (71d)	\$854,000.0
GO Taxable Improvement Bonds 2017A	\$250,000.0
GO Equipment Certificate of Indebtedness 2018A	\$400,000.0
GO Improvement Bonds 2019A	\$550,000.0
GO Capital Improvement Plan Bonds 2019B	\$450,000.0
GO Capital Improvement Plan Bonds 2020A	\$500,000.0

GO Improvement Bonds 2021A (78A)	\$492,750.0
GO Improvement Bonds 2021A (78B)	\$127,250.0

PASSED by the City Council of the City of Blaine this 20th day of September 2021.