



**Preliminary Payable
2020 Tax Levies and
Preliminary 2020
General Fund Budget**

September 11, 2019

Council Meeting



Preliminary Payable 2020 City Tax Levies

	<u>2020 Preliminary</u> <u>General Fund &</u> <u>BLEDA</u> <u>Levy</u>	<u>2019 Final</u> <u>General Fund &</u> <u>BLEDA</u> <u>Levy</u>	<u>Increase/Decrease</u>
General	\$ 3,221,819	\$ 2,878,446	\$ 343,373
Specials:			
GO Tax Abatement- Series 2014A	24,750	24,750	
GO Taxable Tax Abatement- Series 2016A	247,976	242,857	
Debt:			
2010A GO Improvement Bonds	-	132,981	
2011A GO Improvement Bonds	60,746	100,000	
2011B GO Improvement Bonds	270,000	250,000	
2012A GO Refunding Bonds	15,000	15,000	
2015A GO Refunding Bonds	348,004	313,348	
2016B GO Capital Improvement Plan Bonds	59,637	54,976	
2016C GO Improvement Bonds	188,021	187,052	
Total Specials and Debt Levy	1,214,134	1,320,964	(106,830)
Total General Fund, Specials and Debt Levy	\$ 4,435,953	\$ 4,199,410	\$ 236,543
Big Lake Economic Development Authority Levy	\$ 130,000	\$ 130,000	\$ -
Total City Levy	\$ 4,565,953	\$ 4,329,410	\$ 236,543
City Tax Rate	2020 Preliminary 51.22%	2019 Final 52.47%	-1.25%



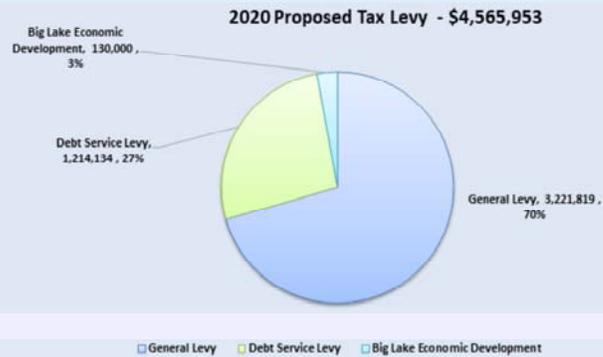
The General Levy shows an increase of 343,373, these funds are what are needed to balance the general fund budget. The General Fund budget are the expenditures associated with the services provided to the community.

The Debt Service Levy is the levy used to pay the yearly debt payment for the City. The City can not pay off debt any sooner than what is outlined in the bond documents. The City can though use excess cash to make the yearly debt payments in lieu of increasing the debt service levy. With the new street projects, the City will not be levying for the debt payment, instead the City will be using State Aid funds instead.

The Big Lake Economic Development levy is the funds used for economic development within the City. For 2019, the City increased this levy to pay for 50% of the executive directors salary, which is a 50% to the General Levy.

2020 Proposed Tax Levy Summary

Component of Tax Levy	2019	2020	\$ Change	% Change
General Levy	2,878,446	3,221,819	343,373	11.93%
Debt Service Levy	1,320,964	1,214,134	(106,830)	-8.09%
Big Lake Economic Development	130,000	130,000	-	0.00%
	<u>4,329,410</u>	<u>4,565,953</u>	<u>236,543</u>	<u>5.46%</u>



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The City Tax Rate for 2020 is anticipated to decrease by 1.25 to 51.22. It is the City Tax rate that is used to calculate what each individual property will pay in City property taxes.

2020 General Fund Proposed Budget

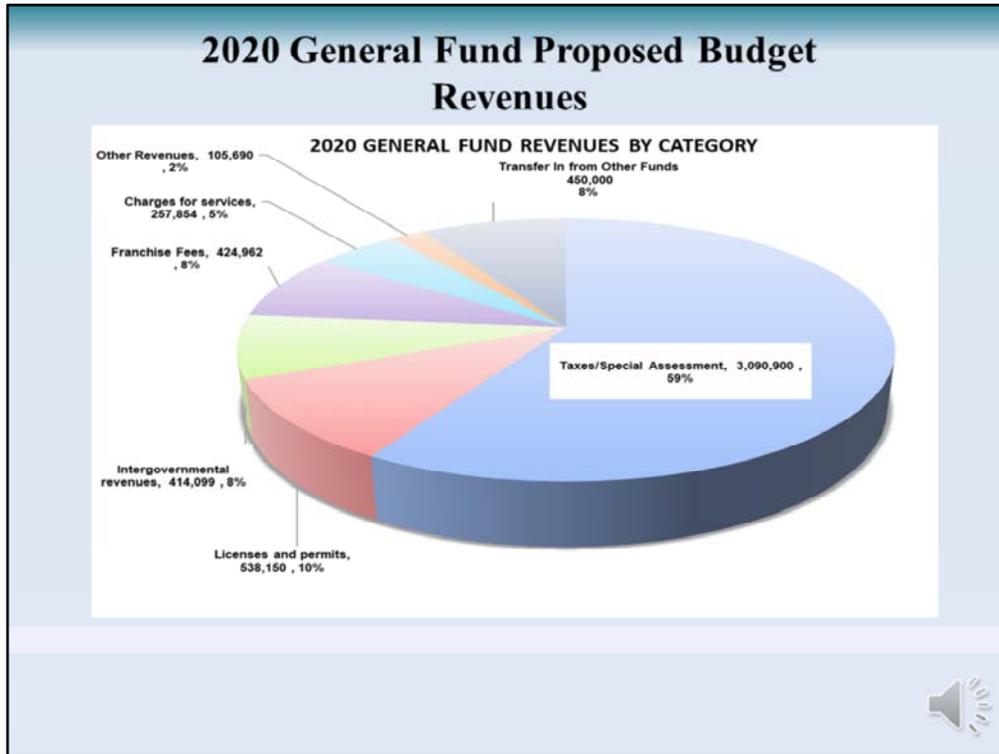
Revenues	2019 Adopted Budget	2020 Proposed Budget	2019-2020	
			\$ Change	% Change
Property Taxes	\$ 2,717,153	\$ 3,088,900	\$ 371,747	13.68%
Special Assessments	500	2,000	1,500	300.00%
Licenses & Permits	364,100	538,150	174,050	47.80%
Intergovernmental	402,450	414,099	11,649	2.89%
Franchise Fees	415,273	424,962	9,689	2.33%
Charges for Services	251,057	257,854	6,796	2.71%
Fines & Forfeitures	46,525	51,550	5,025	10.80%
Investment Income	31,500	31,500	-	0.00%
Contributions/Donations	6,000	3,000	(3,000)	-50.00%
Insurance Proceeds & Dividends	7,000	4,000	(3,000)	-42.86%
Transfer In	600,000	450,000	(150,000)	-25.00%
Designated Fund Balance	15,640	15,640	-	0.00%
Total General Fund Revenue Budget	\$ 4,857,198	\$ 5,281,655	424,458	8.74%

Expenditures	2019 Adopted Budget	2020 Proposed Budget	2019-2020	
			\$ Change	% Change
General Government	\$ 1,016,010	\$ 1,012,830	\$ (3,181)	-0.31%
Public Safety	2,333,785	2,626,956	293,170	12.56%
Streets & Highway	677,121	729,848	52,727	7.79%
Culture & Recreation	710,059	784,996	74,937	10.55%
Economic Development	120,222	127,026	6,804	5.66%
Total General Fund Budget	\$ 4,857,198	\$ 5,281,655	424,458	8.74%



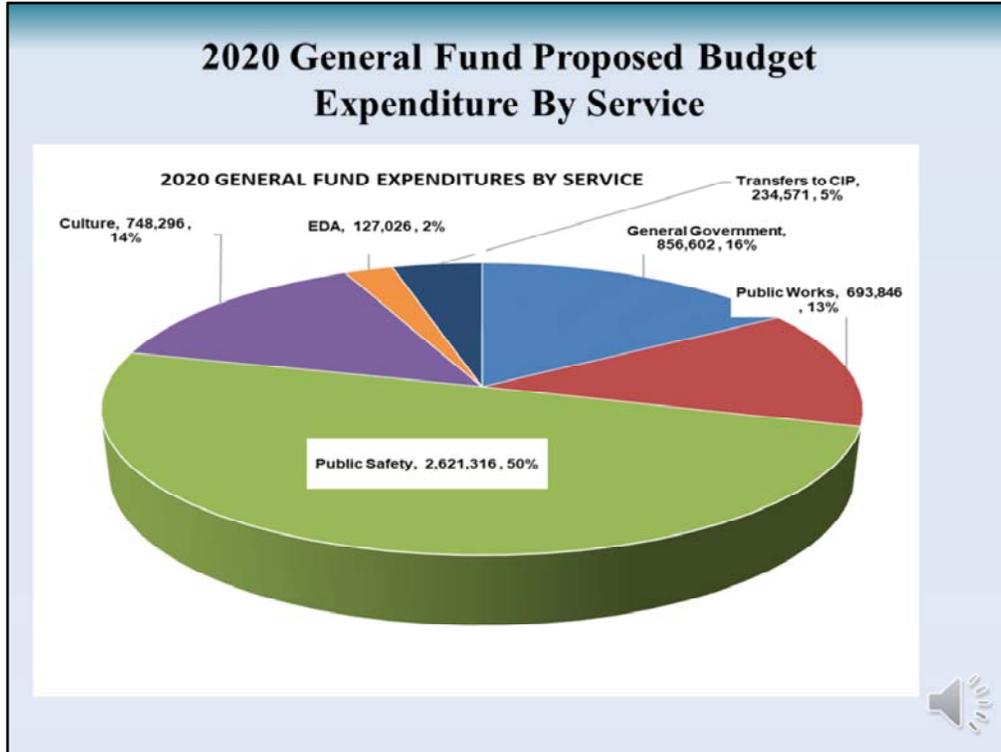
Looking at the 2020 Balanced General Fund Proposed Budget as stated earlier is at \$5,281,655, which is an 8.74% increase over the 2019 Adopted Budget

2020 General Fund Proposed Budget Revenues



Reviewing the proposed revenues, you will see that 59% of the revenues needed to balance the budget is from the collection of property taxes; with 8% from the \$450,000 budgeted transfer from the Liquor Store. This transfer helps lower the overall funds needed to be raised via property taxes in order to balance the budget. Great reason as to why it is important to shop local as the profit from the liquor store are poured back into the community through the services provided by the City.

2020 General Fund Proposed Budget Expenditure By Service



Reviewing the proposed expenditures you will see that 50% of the expenditures are allocated to public safety, which includes our police fire and building department, one of the reasons why Big Lake is such a safe and great community; 13% is allocated to the public works department which maintains the infrastructure of the city and 14% is allocated to culture, which includes the park department and the library.

Preliminary 2020 General Fund and Levy Recap

- Total Preliminary levy, including EDA, is **\$4,565,953**, which is an increase of **\$236,543** over last year's total levy.
- Preliminary City Tax Rate is **51.22%**, which is a **decrease of 1.25%** over last's year tax rate.
 - Preliminary Net Tax Capacity is showing an increase of 10.09% over 2019
 - Preliminary reports from the county are indicating an increase to residential property value of 8% over 2019.
 - What does this preliminary City Tax rate mean for a resident's, if their property value of their home was \$200,000 in 2019, they would see approximately a \$67 yearly increase or \$5.57 per month in the city portion of their tax bill, this is due to the increase in property values.
 - For commercial property, if the property value was \$1,000,000 in 2019, they would see approximately a decrease of \$27.29 for the year, based on the preliminary information received regarding property values.
- Total Preliminary Budget is **\$5,281,655** which is an increase of **\$424,457** over last year's total budget
 - Main reasons for increases are:
 - Wage and benefits for possible new position,
 - COLA 2.5% increase to current pay scale for police and non-union employees
 - Step increases to employees with positive performance review
 - Increase of 8% in health insurance rates
 - Increase for liability and work comp insurance
 - Increase for Police equipment
 - Increase for Fire protection service
 - Increase for City's charge of water/sewer usage.
 - Increase for Contracted services for Public Works and Parks
 - Code Enforcement for lawn moving and snow removal
 - Boat inspections at Lake Side Park

As a reminder, in 2016 the City began to budget the Local Government Aid in the City's Capital Improvement funds for equipment and infrastructure replacement and repairs, and not budget for those items in the general fund, which can have an increase to the city tax's rate.

Just a reminder the preliminary levy can be reduced, but cannot be increased prior to the final levy certification, which occurs in December 2019.



Final recap; the total preliminary levy is \$4,565,953, with the preliminary tax rate of 51.22, which is a decrease of 1.25 over 2019. The preliminary General Fund Budget is \$5,281,655 which is an increase of \$424,457 over 2019. Just a reminder the preliminary levy can be reduced but not increased prior to the final levy certification which occurs in December.