



COUNCIL WORK SESSION

Tuesday, August 11, 2015

6:00p.m.

Coon Rapids City Center

Conference Room 1

Call to Order

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

2016 Proposed Budget

1. 2016 Budget Workshop

Other Business

Adjourn



City Council Work Session

1.

Meeting Date: 08/11/2015

Subject: 2016 Budget Workshop

From: Sharon Legg, Finance Director

INTRODUCTION

The 2016 Proposed Budget was distributed on July 31. The workshop to discuss has been scheduled for August 11 at 6:00 pm.

DISCUSSION

The City must certify a proposed levy and truth in taxation hearing date to the County by September 30. The preliminary levy can be reduced before final adoption, but cannot be increased. Staff is recommending that the preliminary levy be set on September 15.

The budget has been prepared incorporating what staff believes to be the priorities of the Council. A tax levy of \$24,981,319 is being recommended which is a 2.97 percent increase over the prior year. Staff will present the budget and answer any questions at the workshop. Do not hesitate to call beforehand if additional information is requested. The presentation is attached.

RECOMMENDATION

For information only. Please bring the 2016 Proposed Budget to the workshop.

Attachments

2016 Budget Presentation

2016 Budget Workshop

2016 Budget Process

- **Aug 11** **Council reviews proposed budget.**
- **Sept 15** **Council adopts preliminary tax levy and rate. Select hearing date.**
- **Sept 30** **City Certifies levy to County.**
- **Nov 8-19** **County mails parcel specific TNT Notices**
- **Nov /Dec** **TNT Hearing**
- **Dec 28** **Last day to certify levy to State and County**

Significant Budget Principles

- Address core community responsibilities
- Support Council's Long Range Strategic Vision
- Recognize current economic conditions and prepare for future economic challenges
- Maintain 45% General Fund balance, measured against trended 2016 expenditures

Anoka County Cities Tax Capacity Rates for:

City	2013	2014	2015
• Bethel	80.469	79.726	66.108
• Columbia Heights	80.871	78.177	70.811
• Circle Pines	67.554	60.659	56.638
• St. Francis	63.026	59.629	58.909
• East Bethel	48.224	58.983	51.462
• Spring Lake Park	49.311	57.46	52.877
• Anoka	54.01	49.843	45.014
• Fridley	47.632	48.577	43.508
• Coon Rapids	48.835 (8th)	47.509 (6th)	44.754 (7th)
• Lino Lakes	46.774	46.683	43.77
• Ramsey	44.29	44.237	42.259
• Andover	40.722	43.197	37.07
• Blaine	36.74	36.379	35.495
• Ham Lake	29.226	29.689	26.869

Budgeted Expenditures

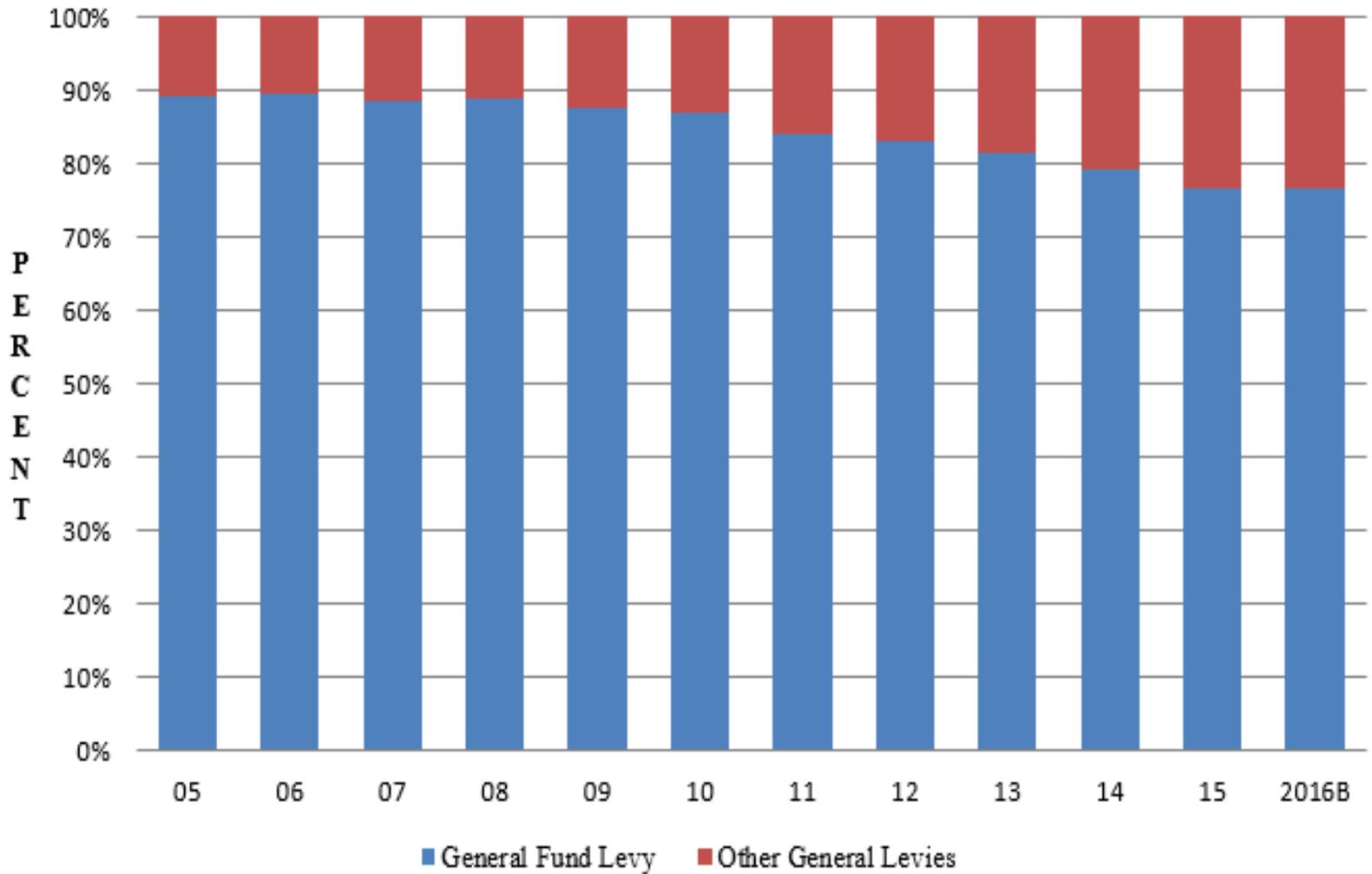
	<i>2015 Adopted</i>	<i>2015 Amended</i>	<i>2016 Proposed</i>	<i>%</i>
<i>General</i>	<i>\$ 27,808,891</i>	<i>\$27,798,891</i>	<i>\$28,739,814</i>	<i>3.3</i>
<i>Special Rev</i>	<i>2,028,348</i>	<i>3,029,548</i>	<i>2,323,681</i>	<i>14.6</i>
<i>Debt</i>	<i>3,083,026</i>	<i>3,083,026</i>	<i>3,338,019</i>	<i>8.3</i>
<i>Capital Project</i>	<i>10,992,614</i>	<i>11,467,917</i>	<i>22,288,839</i>	<i>N/A</i>
<i>Water</i>	<i>5,604,880</i>	<i>5,611,795</i>	<i>6,018,885</i>	<i>7.4</i>
<i>Sewer</i>	<i>6,395,316</i>	<i>6,395,316</i>	<i>6,666,577</i>	<i>4.2</i>
<i>Storm Water</i>	<i>1,516,510</i>	<i>1,516,510</i>	<i>1,424,544</i>	<i>(6.01)</i>
<i>Golf</i>	<i>2,755,254</i>	<i>2,755,254</i>	<i>6,271,840</i>	<i>N/A</i>
<i>Internal Service</i>	<i>1,186,200</i>	<i>1,186,200</i>	<i>919,000</i>	<i>(22.5)</i>
<i>Total</i>	<i>\$61,371,039</i>	<i>\$63,044,217</i>	<i>\$77,991,199</i>	<i>N/A</i>

CITY OF COON RAPIDS, MINNESOTA

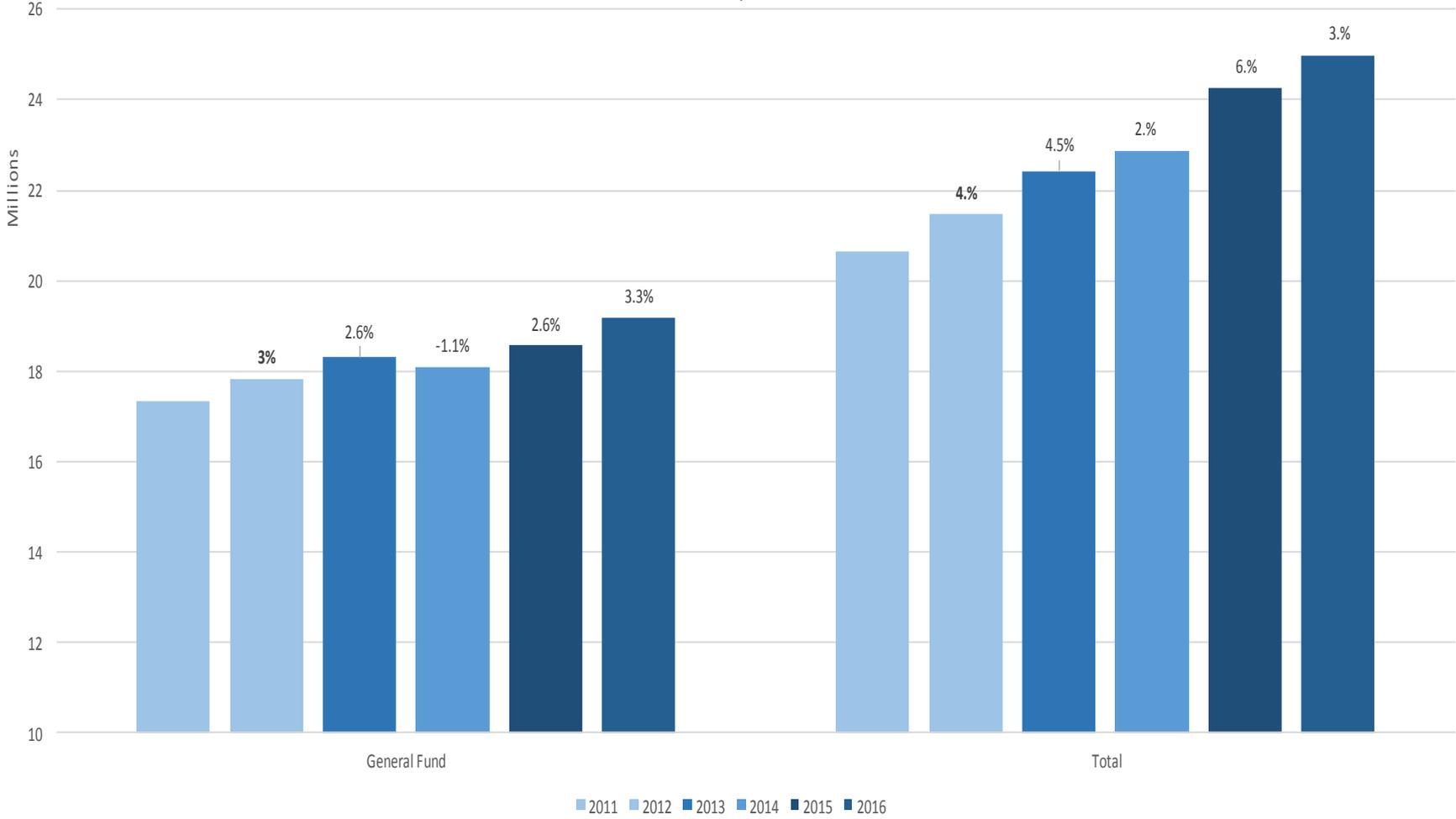
PROPERTY TAX LEVY

	2013	2014	2015	2016
General Fund	\$ 18,302,200	\$ 18,097,916	\$ 18,560,853	\$ 19,177,679
Funds				
Special Assessment against City property	30,000	30,000	20,000	20,000
O. Bonds of 2005	119,800			
O. Bonds of 2008	152,300	150,370	144,280	153,788
O. Bonds of 2010	187,500	189,750	189,750	192,494
O. Bonds of 2013A	425,000	200,570	263,510	188,388
O. Bonds of 2013B		206,326	207,215	203,645
O. Bonds of 2014			327,500	300,555
O. Bonds of 2015				200,855
DA Lease Revenue Bonds	986,678	990,878	990,485	987,597
O. Park Improvement Bonds		540,916	1,211,847	1,210,943
Equipment Certificates of 2010	132,300	132,300	66,150	
Equipment Certificates of 2012	100,000	100,000	100,000	100,000
Equipment Certificates of 2014		75,000	75,000	75,000
Service	<u>2,133,578</u>	<u>2,616,110</u>	<u>3,595,737</u>	<u>3,633,265</u>
Projects Funds				
Park Improvement Fund	325,000	335,000	345,050	362,303
Street Reconstruction Fund	773,000	800,000	774,000	797,220
Capital Equipment Fund	817,800	835,000	860,050	885,852
Sidewalk Improvement Fund	75,000	195,000	125,000	125,000
Projects	<u>1,990,800</u>	<u>2,165,000</u>	<u>2,104,100</u>	<u>2,170,375</u>
City Levy	<u>22,426,578</u>	<u>22,879,026</u>	<u>24,260,690</u>	<u>24,981,319</u>
Levy	<u>728,796</u>	<u>700,000</u>	<u>725,000</u>	<u>725,000</u>
Levy	<u><u>23,155,374</u></u>	<u><u>23,579,026</u></u>	<u><u>24,985,690</u></u>	<u><u>25,706,319</u></u>

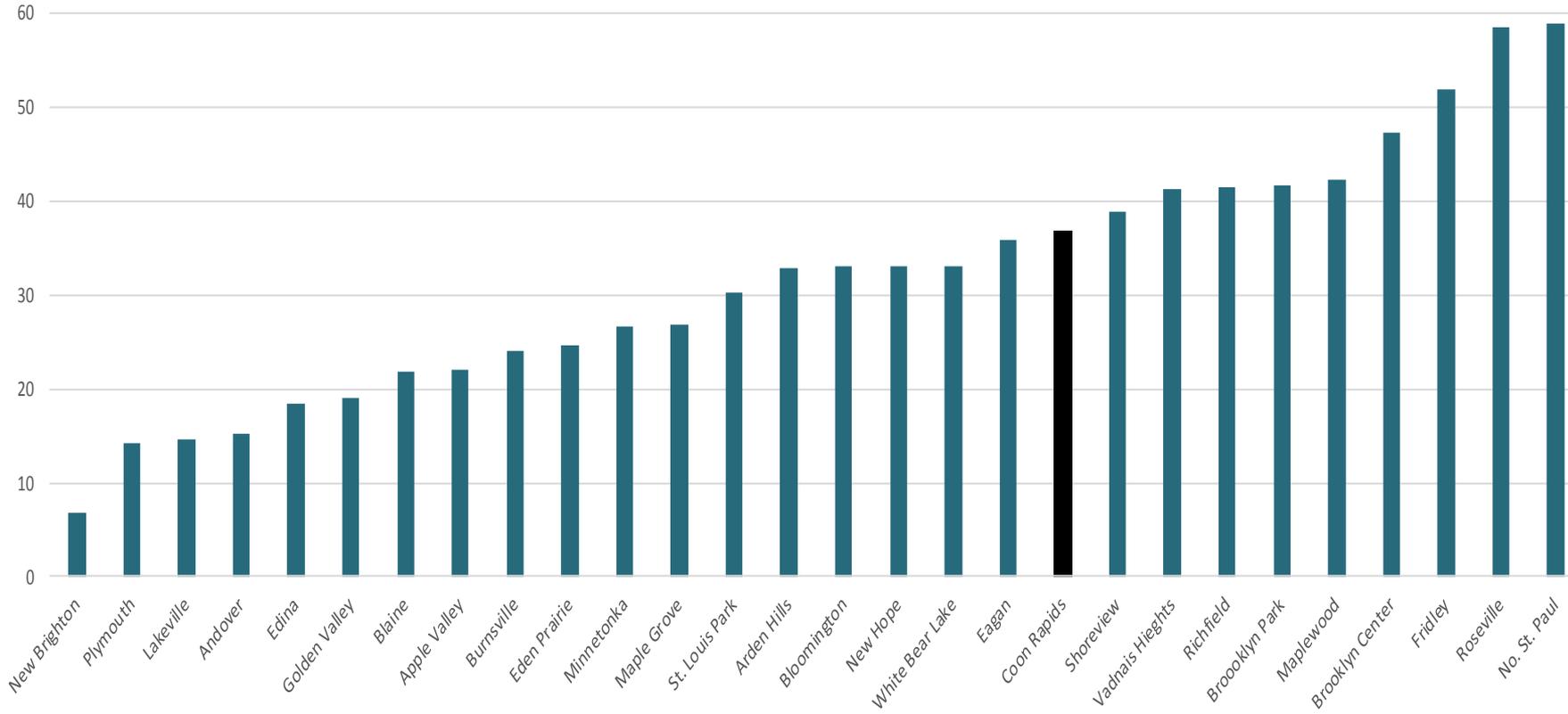
GENERAL PROPERTY TAX LEVY



City Tax Levy
since 2011
with % +/-

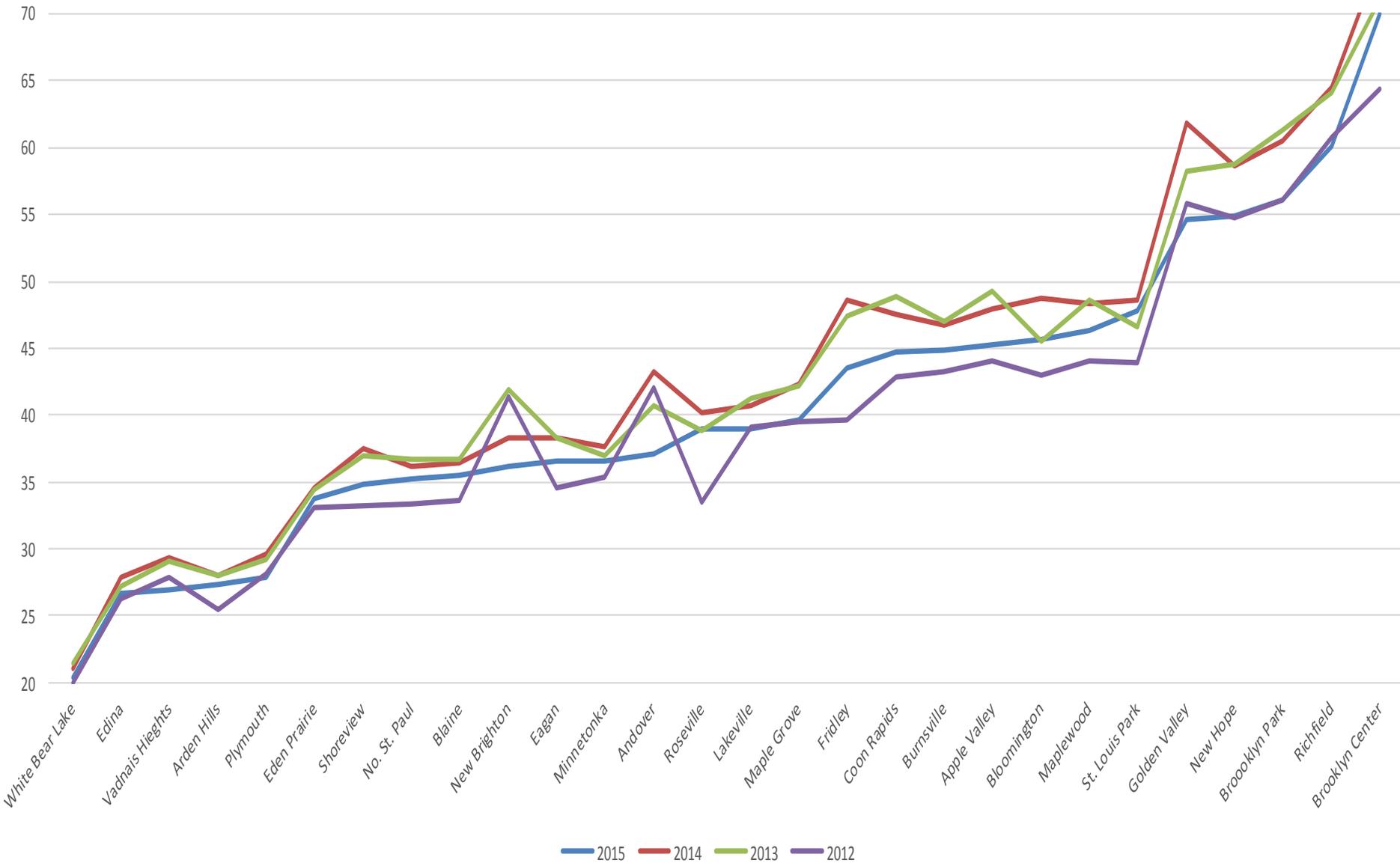


Percent increase in tax rate since 2009

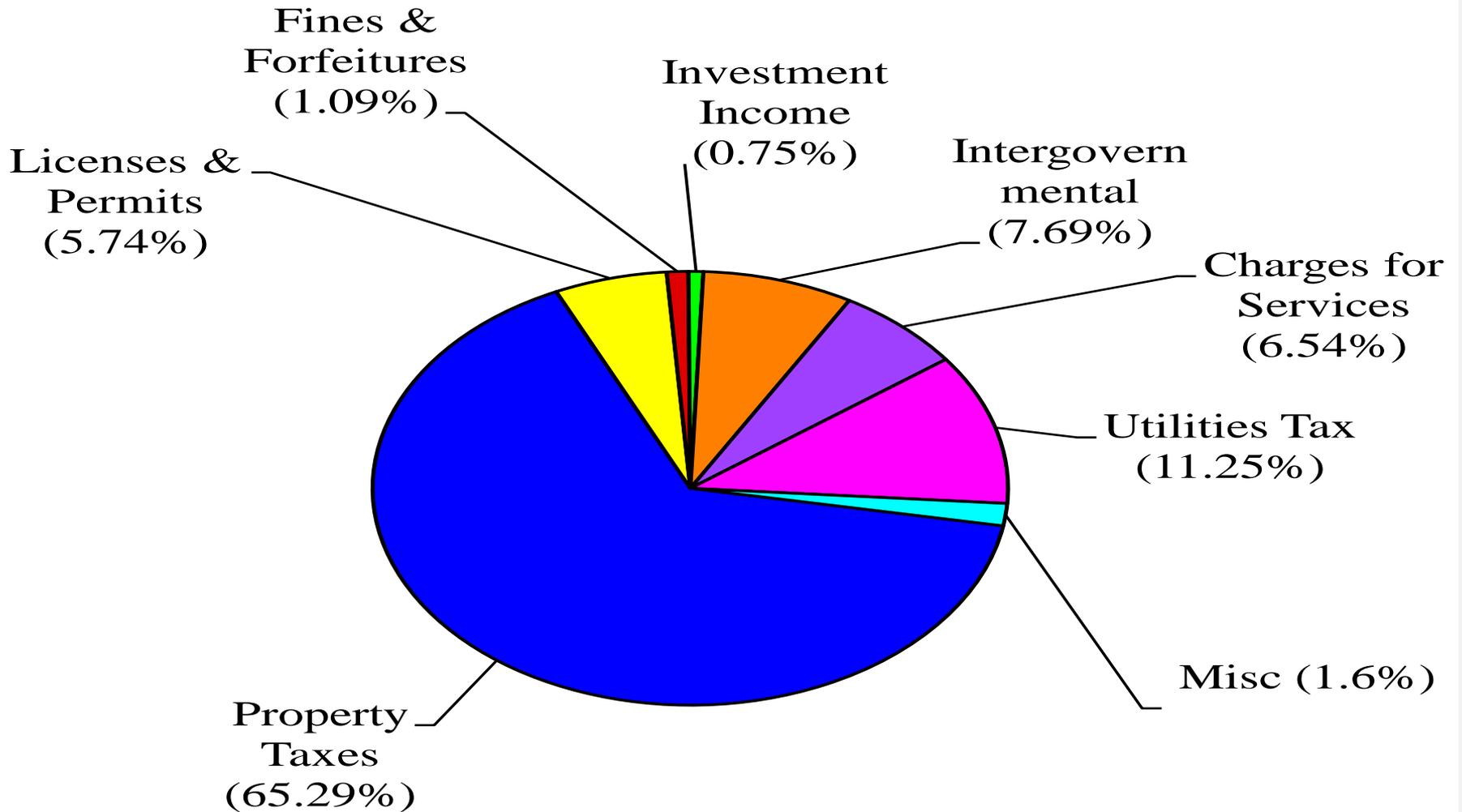


Tax Rates Select Metro Cities

Sorted by 2015 Tax Rate



General Fund Revenues by Source

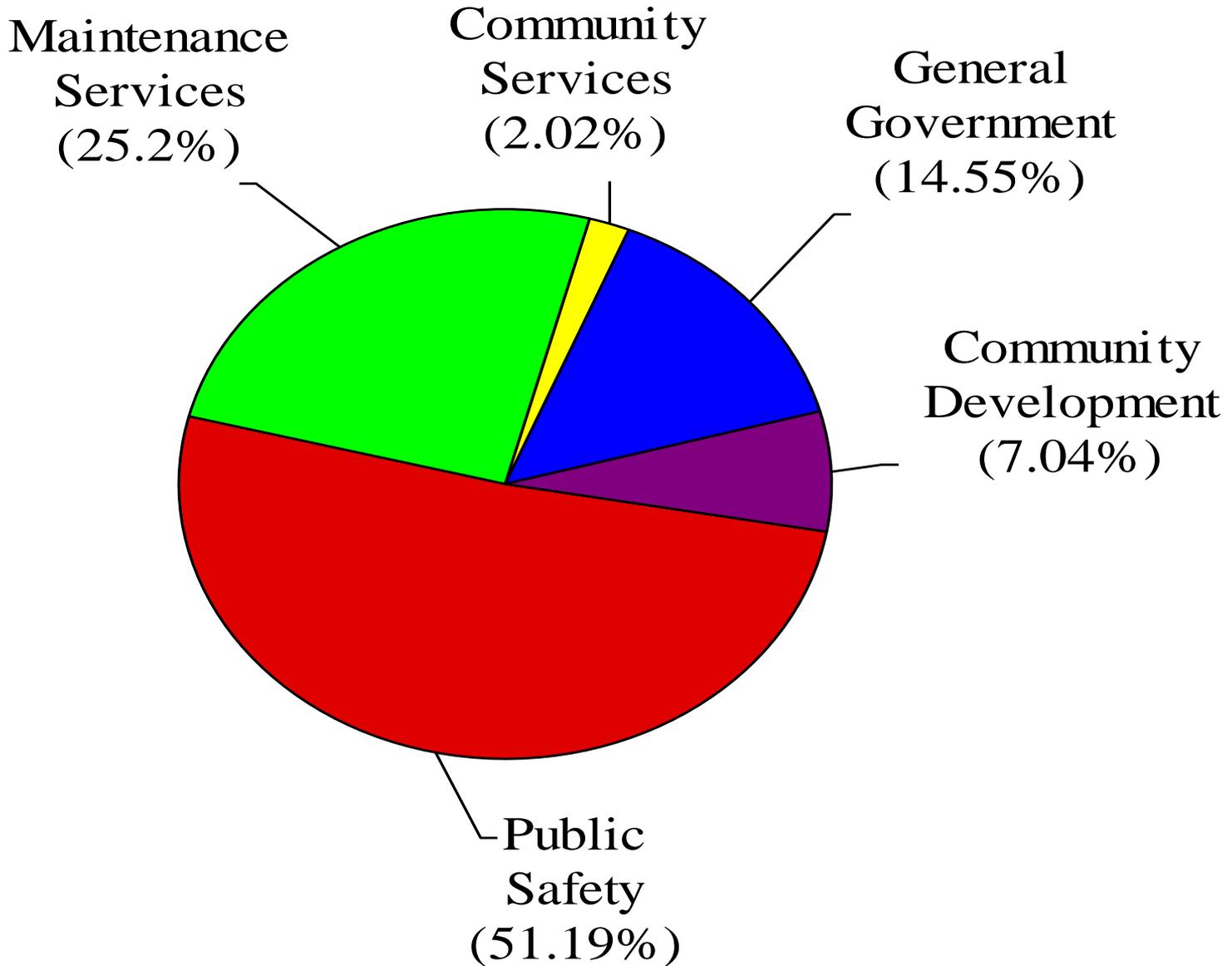


General Fund Revenues

	2016 Proposed	2015 Amended	% Inc/(Dec)
Taxes	\$19,177,680	\$18,560,853	3.3
Intergov't	2,257,504	2,122,210	6.4
Lic/Permits	1,687,140	1,829,932	(7.8)
Investment	221,000	178,000	24.2
Utilities tax	3,303,137	3,143,137	5.1
Chg f service	1,919,840	1,936,800	(.9)
Fines	320,500	387,000	(17.2)
Other	487,400	466,850	4.4
Transfers	47,000	53,185	11.6
Total	\$ 29,421,201	\$ 28,677,967	2.6

2016 BUDGET

GENERAL FUND EXPENDITURES BY PROGRAM



General Fund Expenditures

	2016 Proposed	2015 Amended	% Inc/Dec
General gov't	\$ 4,182,978	4,061,064	3.0
Public safety	14,711,314	14,316,452	2.8
Comm services	579,136	488,165	18.6
Com dev	2,023,193	2,045,044	(1.1)
Maint services	7,243,193	7,087,926	2.2
Transfers	678,000	680,000	(.3)
Total	\$ 29,417,814	28,678,651	2.6

HOW DOES THE CITIES' PROPERTY WEALTH COMPARE PER CAPITA?

Shows Coon Rapids' percent of the metro average market value

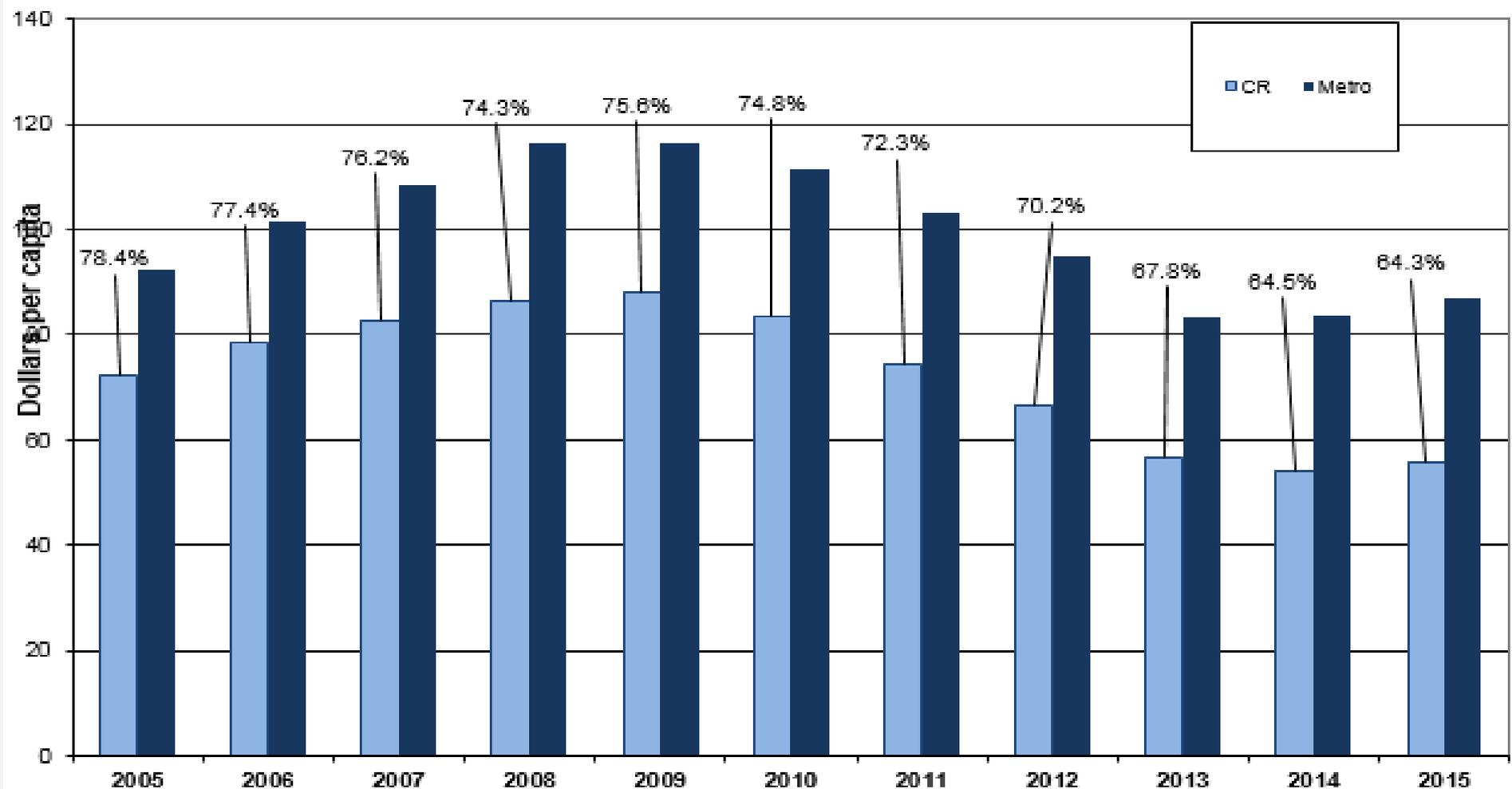
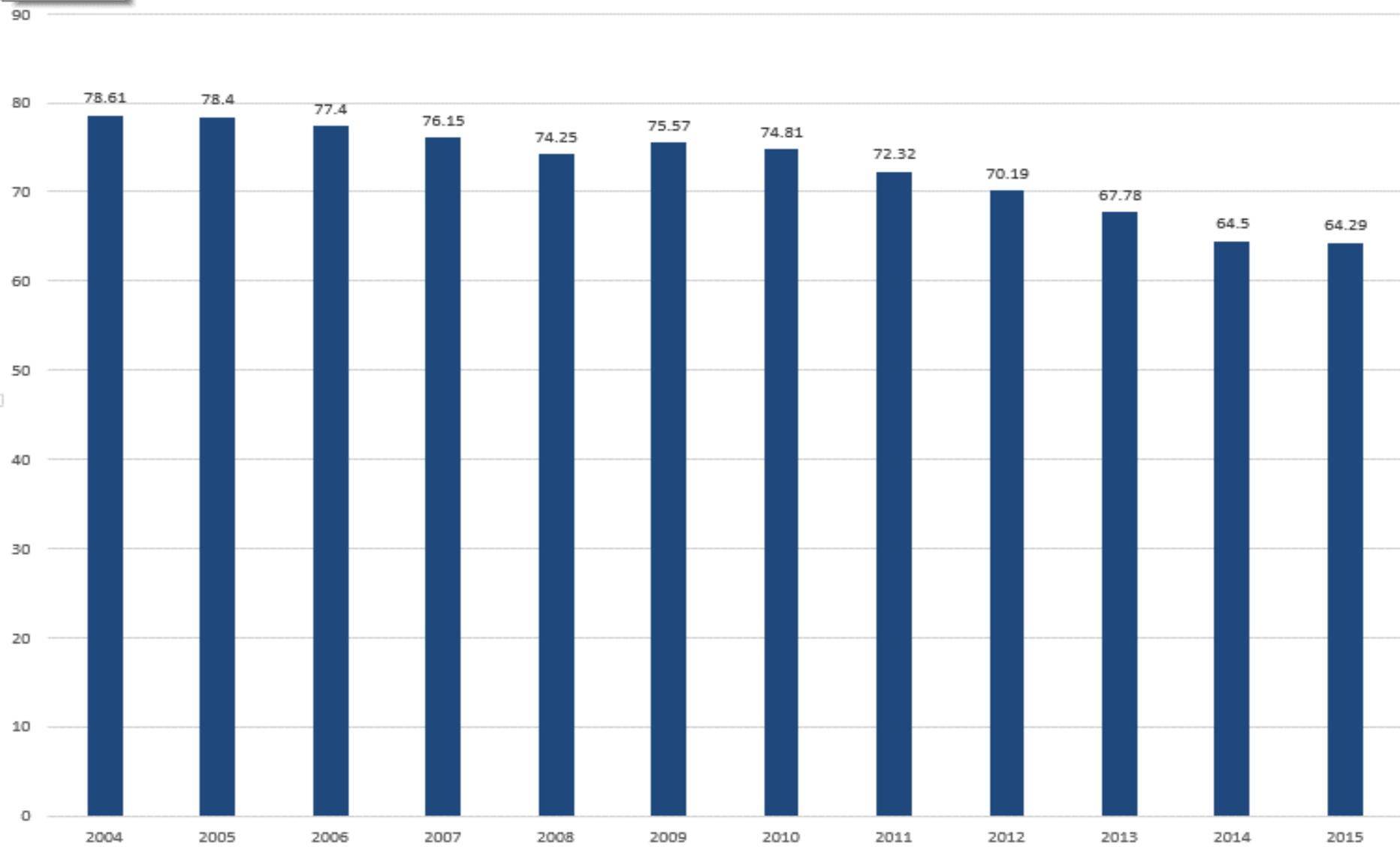


Chart Area

Percent of Coon Rapids Wealth per Capita to the Metro



Strategic Issues and Budgetary Impacts

Legislative changes

- Election

Public safety

- Training of personnel
- County-wide Public Safety Date System
- Two rescue trucks (\$460,000)

Strategic Issues and Budgetary Impacts (cont.)

Transportation

- Accelerated State Aid street reconstruction (10.6 miles)
- Delay level of local street reconstruction
- Continue seal coating/overlays (18.5 miles) (\$850,000)

Strategic Issues and Budgetary Impacts (cont.)

Quality of Life

- Park Improvement Bond expenditures (\$2,600,000)
- Park/trail improvements (\$300,000)
- Remodel of Civic Center area (\$200,000) includes replacement room divider

Strategic Issues and Budgetary Impacts (cont.)

Housing/Neighborhoods/Planning

- Structure maintenance
- Continue Second Phase of Homes for Generations
- Continue to implement CR Blvd plans while marketing HRA owned property for development
- Continue the use of revolving loan funds to aid commercial ventures

Strategic Issues and Budgetary Impacts (cont.)

Civic Involvement

- Quarterly newsletter
- Citizen academy
- Neighborhood meetings
- Community survey

Excellence In government

- Employee training
- Improvements/use of technology
- Continuation of City web site enhancements

Strategic Issues and Budgetary Impacts (cont.)

Personnel Issues/Changes

- Recycling position increased to full-time
- Part-time neighborhood investment admin
- Health insurance premium increase (7.5%)
- $\frac{3}{4}$ time employees eligible for health insurance
- Contribution anticipated to increase (\$179,715 General Fund) (overall \$214,992) or 9%
- PERA remains at police/fire to 16.2% and 7.5% for other employees
- Workers compensation premium increase (\$60,558 General Fund) (overall \$68,367)

Strategic Issues and Budgetary Impacts (cont.)

Capital Equipment

- Ten year replacement schedule has been updated (identified next slide)

Debt Service

- Ice Center/site debt service \$987,597
- City share street reconstruction \$1,239,725 compared to \$1,132,255 last year

Capital Equipment Fund

Year	Levy	Expenditures	Fund Balance
2010	745,021	1,540,725	1,938,845
2011	698,900	903,523	1,854,242
2012	743,674	1,140,999	1,586,889
2013	808,514	911,392	1,468,840
2014	829,203	1,381,274	1,191,279
2015 Estimated	851,450	964,918	1,192,895
2016 Budget	885,852	1,174,584	1,099,639

Vehicles

Items (General Fund activities)	
(3) Marked police vehicles	\$ 117,000
(1) Investigative unit	27,611
(1) Mini van for police	27,930
(3) Dodge charger AWD	110,190
(2) Rescue vehicles	460,000
(1) ¾ ton 4x4 crew cab w pump/tank	58,355
(2) ½ ton pickup for parks	63,755
(1) ¾ ton truck w HD chasis	56,885
(1) 1-ton dump truck for parks	60,000
(1) John Deere for parks	50,000
(1) John Deere tractor with sweeper for parks	60,000
(1) Toro Grounds master for Parks	54,058
(4) Trailers for Parks	28,800

Vehicles, continued

Items, (Enterprise Fund activities)

(1) Sewer jet truck	256,000
(2) Snow plows for Golf	18,500

Water, Sewer and Storm Infrastructure

Rehab wells 15, 21 ,24 ,25	\$ 385,000
Design/land for new water tower	500,000
Variable frequency drives on pumps	20,000
Rehab of high service W. booster pump 4 and 5	600,000
Water system loop at public works site	40,000
Drill rig to pinpoint water main leaks	63,425
Water main replacements during street recon.	2,000,000
Control panels for lift station 11 and 17	120,000
Pump controllers at lift station 1,3,4,14	18,000
Sewer lining	1,200,000
Storm drain system upgrades	1,000,000

Facilities Construction Fund Projects Funded

2001	Salt Storage Shed	201,000
2001	Cable Building	2,034,000
2002	City Center Remodel	149,000
2002	City Garage Grading	517,000
2002	Vehicle Storage Building	1,497,000
2003	Heat Exchange at City Hall	313,000
2003	Public Works Parking Lot	340,000
2003	Recycle Center Construction	201,000
2004	Transfer to Park Improvement Fund	530,000
2005	City Hall Exterior Restoration	300,000
2005	Public Works Facility Expansion	2,482,000
2006	Replace Carpet Admin Area	107,000

Facility Construction Fund – Projects Funded (continued)

2007	Cook Arena Repairs	122,000
2007	Fiber Optic Line to LOGIS	125,000
2007	Fire Stations Flooring/Blacktop	61,000
2008	City Hall Roof Repairs	77,000
2008	Fire Station 1 Roof Replacement	83,000
2008	Replace Carpet Police Area	75,000
2008	City Hall Major Maintenance	227,000
2009	Community Center Feasibility thru Schematic	716,000
2009	Council Chambers TV Equipment	110,000
2009	Public Works Restrooms/Showers	37,000
2009	HR/Legal Service Counters	45,000

Facility Construction Fund – Projects Funded (continued)

2010	Community Center Study	16,000
2010/11	Energy Grant Program	851,000
2010	Goodwill Building Purchase (net of rent)	5,102,000
2010/11/12	Coon Rapids Ice Center	11,638,000
2011	Bunker Hills Pro Shop Contribution	5,320,000
2011/12/13	Fire Station #3 Repairs	102,000
2012	Paint/Carpet/Furniture City Hall	95,000
2011/12/13	Public Safety Vehicle Storage Building	1,800,000
2013	Community Center Phase 2 Study	23,500
2014	City Hall improvements (restrooms, HVAC, security, fire protection, lobby furniture)	270,139
2014	Vehicle preemption system at Fire Station #3	8,500

Facility Construction Fund – Projects Funded (continued)

2015	Redo break room, cube replacement in patrol work area, furniture, etc.	50,000
2015	Restroom remodel at City Hall	94,000
2015	Replace boilers at City Hall	92,000
2015	Carpet replacement in Civic Center	17,000
2015	Reconstruction of City Hall parking lot	183,000
2016	Remodel of Civic Center area at City Hall	200,000
2016	Generator for Police/City Hall	35,000
2016	Reconfigure fence at Public Works	20,000
Total		36,266,139

Facility Construction Funding

2000	Sale of Property	43,200
2000	Closed Funds	149,000
2001	Tax levy	295,000
2001	Development Funds	400,000
2002	Public Communications Fund	1,634,000
2007	Closed Bond Funds	1,000,000
2008	Transfer from Public Communication Fund	50,000
2009-10	Energy Grant	644,000
2010	Closed Bond Funds	5,075,000
2010	Tax levy for Ice Center Bonds	745,000
2002-2014	Investment earnings	1,501,000
2010	Bond Proceeds for Ice Center	14,057,000
2000-2014	Transfers from General Fund	13,428,000
Total		39,021,200

Benchmark Home 1

	2015	2016	Change	%
Market value	97,300	98,600	1,300	1.3
MV exclusion	28,483	28,366	(117)	(.4)
Taxable Market value	68,817	70,234	1,417	2.1
Net tax capacity after MV excl	688	702	14	2.0
Gross City tax	308	311	3	1.0

Benchmark Home 2

	2015	2016	Change	%
Market value	150,100	144,000	(6,100)	(4.1)
MV exclusion	23,731	24,280	549	2.3
Taxable Market value	126,369	119,720	(6,649)	(5.3)
Net tax capacity after MV excl	1,264	1,197	67	5.3
Gross City tax	566	530	36	6.4

Benchmark Home 3

	2015	2016	Change	%
Market value	187,700	191,300	3,600	1.9
MV exclusion	20,347	20,023	(324)	(1.6)
Taxable Market value	167,353	171,277	3,924	2.3
Net tax capacity after MV excl	1,674	1,713	39	2.3
Gross City tax	749	759	10	1.3

Benchmark Home 4

	2015	2016	Change	%
Market value	205,000	204,500	(500)	(.2)
MV exclusion	18,790	18,835	45	(7.9)
Taxable Market value	186,210	185,665	(545)	(2.9)
Net tax capacity after MV excl	1,862	1,857	(5)	(.3)
Gross City tax	833	823	(10)	(1.2)

Benchmark Home 5

	2015	2016	Change	%
Market value	273,100	277,600	4,500	1.6
MV exclusion	12,661	12,256	(405)	(3.2)
Taxable Market value	260,439	265,344	4,905	1.9
Net tax capacity after MV excl	2,604	2,653	49	1.9
Gross City tax	1,165	1,176	11	.9

Benchmark Home 6

	2015	2016	Change	%
Market value	377,600	375,500	(2,100)	(.6)
MV exclusion	3,256	3,445	189	5.8
Taxable Market value	374,344	372,055	(2,289)	(.6)
Net tax capacity after MV excl	3,743	3,721	(22)	(.6)
Gross City tax	1,675	1,648	(27)	(1.6)

Benchmark Commercial 1

	2015	2016	Change	%
Market value	1,243,300	1,282,100	38,800	3.1
Tax capacity	24,116	24,892	776	3.2
FD Cont Rate	.355354	.377029		
Local tax capacity	15,546	15,507	(39)	(.3)
City tax	6,957	7,109	152	2.2

Benchmark Commercial 2

	2015	2016	Change	%
Market value	1,896,500	2,030,400	133,900	7.1
Tax capacity	37,180	39,858	2,678	7.2
FD Cont Rate	.355354	.377029		
Local tax capacity	23,968	24,831	863	3.6
City tax	10,726	11,384	658	6.1

Benchmark Commercial 3

	2015	2016	Change	%
Market value	9,678,700	9,925,000	246,300	2.6
Tax capacity	192,824	197,750	4,926	2.6
FD Cont Rate	.355354	.377029		
Local tax capacity	192,824	197,750	4,926	2.6
City tax	55,630	56,479	849	1.5

Per Capita Ranking of 227 MN cities in 2013

(population > 2,500)

	Eagan	Maple Grove	Coon Rapids	Blaine	Lakeville	St. Louis Park	Maplewood
Population	66,301	63,746	62,684	62,018	57,789	47,321	38,950
Taxable Tax Capacity	37/227	33/227	116/227	82/227	59/227	31/227	53/227
Net Tax Levy	99/227	55/227	173/227	185/227	126/227	43/227	80/227
Total Taxes	132/227	86/227	123/227	188/227	135/227	13/227	106/227
Total Revenue	128/227	53/227	202/227	218/227	185/227	74/227	40/227
Current Expenditures	178/227	128/227	155/227	193/227	209/227	18/227	161/227
Capital Outlay	78/227	52/227	181/227	188/227	120/227	186/227	13/227
Debt Service	218/225	89/225	203/227	183/227	99/225	194/225	50/225
Total Expenditures	174/227	93/227	204/227	215/227	178/227	92/227	97/227