CITY OF ST FRANCIS
ST FRANCIS, MN
ANOKA COUNTY

WORK SESSION AGENDA

AUGUST 17Th, 2021 at 5:30 PM
ST FRANCIS COMMUNITY CENTER
23340 CREE STREET NW, ST FRANCIS MN

1. Call to Order/Roll Call
2. 2022 Budget
3. Adjourn

City of St. Francis

City Council
AGENDA REPORT
Agenda Item #
2

TO: Mayor & City Council

FROM: Joe Kohlmann, City Administrator

SUBJECT: 2022 Budget Discussion

DATE: August 12th, 2022

OVERVIEW

Staff is presenting a draft 2022 Budget. Some highlights of the budget are outlined below:

1) The General Fund operating levy is largely impacted by Public Safety costs (new officer position is majority of that). Public Safety accounts for $133,250 of the $173,250 General Operating expense increase. Revenue increases help balance some of this out - resulting in **$91,000** in new tax levy for the General Fund.

2) The City is also proposing to increase funding for Street Improvements by **$60,000** annually and the Equipment CIP by **$10,000**. These increases are consistent with the Road CIP and Equipment CIP determined over the last several years.

3) Additionally, a new allocation of **$224,000** to the levy for the Building Improvement Fund. This would be added to the past $246,000 totaling **$470,000** towards buildings annually. Per Ehlers *(attached)* – a snap shot in time from July – this would cover the corresponding bonds in the attachment.

4) The American Rescue Plan funds of approximately **$650,000** can be utilized for "…capital investments in public facilities to meet pandemic operational needs…to public buildings to implement COVID-19 mitigation tactics". As we learned, the Fire Department played a large role in responding to COVID-19. They were the primary arm of the City to respond to COVID-19 calls. This expenditure from the A.R.P. Funds could be utilized for the Fire Station.

5) The total new levy of **$385,000** would be a 9.09% increase on the dollar over 2021.

6) The impact to residential Single Family Homes would be between $0.04 and $0.09+ annually if their value stayed the same. It would be a $55.20 annual increase to most properties if their value increases $10,000. Or $4.60 monthly for most if their value increases $10,000.

City of St. Francis

Attached is a proposed budget for the General Fund
Attached is a sheet showing the various levy impacts an historical tax rates
Attached is a snapshot from Ehlers showing bonding impacts and associated levies
Attached is a spreadsheet showing the impact of residents with the proposed budget

CITY OF ST. FRANCIS, MINNESOTA

GENERAL FUND (101)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2020 ACTUAL	2021 BUDGET	2021 ESTIMATE	2022 BUDGET
Revenues:				
Property Taxes	$3,149,362	$3,136,729		$3,222,764
Licenses and permits	264,898	244,470		268,620
Fines and forfeits	38,158	23,130		23,500
Intergovernmental	1,239,322	624,501		650,016
Charges for services	374,099	408,910		424,050
Miscellaneous	248,660	205,330		227,370
Total revenues	5,314,499	4,643,070	0	4,816,320
Expenditures:				
General Government	944,512	1,008,520		1,022,120
Public Safety	2,631,786	2,266,300		2,399,550
Public Works	575,294	590,450		608,350
Culture and Recreation	294,034	352,600		361,100
Community Development	487,720	477,700		477,650
Miscellaneous	-	7,500		7,550
Total expenditures	4,933,346	4,703,070	0	4,876,320
Excess (deficit) of revenues over expenditures	381,153	(60,000)	0	(60,000)
Other financing sources (uses):				
Operating transfers in (out):				
Municipal Liquor Operations	60,000	60,000		60,000
Sale of Assets	17,872			
Transfers out to EDA	(187,000)	-		-
Total other financing sources (uses)	(109,128)	60,000	0	60,000
Net change in fund balance	272,025	0	0	0
Fund balance - January 1	3,234,600	3,461,492	3,506,625	3,506,625
Fund balance - December 31	$3,506,625	$3,461,492	$3,506,625	$3,506,625
Fund balance/revenues	66.0%	74.6%	N/A	72.8%
Fund balance/expenditures	71.1%	73.6%	N/A	71.9%
Fund balance/# of mths of expenditures	8.5	8.8	#DIV/0!	8.6

Fund balance/revenues	State auditor recommends 35% - 50%	72.8%
Fund balance/# of mths of expenditures	State auditor recommends 5 months	8.6

	2019	2020	2021	2022 Estimated	Difference
General Fund Levy	$ 3,015,000	$ 3,136,000	$ 3,130,000	$ 3,221,000	$ 91,000
Capital Equipment	$ 230,000	$ 240,000	$ 250,000	$ 260,000	$ 10,000
Building Improvement Fund	$ 60,000	$ 60,000	$ 246,000	$ 246,000	$ -
New City Hall/ Fire Station				$ 224,000	$ 224,000
Street Improvement Fund	$ 120,000	$ 180,000	$ 240,000	$ 300,000	$ 60,000
					$ -
Total General Levy	$ 3,425,000	$ 3,616,000	$ 3,866,000	$ 4,251,000	$ 385,000
					$ -
2013 Refunding	$ 20,900	$ 20,900	$ 20,900	$ 20,900	$ -
2015 GO	$ 20,470	$ 20,470	$ 20,470	$ 20,470	$ -
2017 Capital Improvement	$ 327,220	$ 327,220	$ 327,220	$ 327,220	$ -
Total Debt Service Levies	$ 368,590	$ 368,590	$ 368,590	$ 368,590	$ -
Total Levy	$ 3,793,590	$ 3,984,590	$ 4,234,590	$ 4,619,590	$ 385,000
Tax Capacity	$ 5,770,363	$ 6,326,443	$ 6,824,801	$ 7,614,282	
Fiscal Disparities	$ 883,676	$ 938,646	$ 936,853	$ 936,000	
TIF	$ -	$ 2,032.00	$ -	$ -	
Contributions To	$ 291,792	$ 307,139	$ 315,965	$ 343,146	
Joint value	$ 10,227	$ 9,184	$ 9,804	$ 9,800	
Tax Capcity Value-Adjusted	$ 5,472,282	$ 6,026,456	$ 6,518,640	$ 7,280,936	
Spreadable Levy	$ 2,909,914	$ 3,045,944	$ 3,297,737	$ 3,683,590	
	53.176%	50.543%	50.589%	50.592%	
Check					
$ Increase					
Tax Levy Increase	$ 304,799	$ 191,000	$ 250,000	$ 385,000	
% increase	9.39%	5.47%	6.27%	9.09%	

2014	59.627%
2015	58.908%
2016	58.428%
2017	54.116%
2018	53.996%
2019	53.176%
2020	50.543%
2021	50.589%

St. Francis Facility CIP Bonds (25 year)		
City Bond Amount	Annual Debt Service	Required Annual Levy Coverage (105%)
$6,000,000	$334,961	$351,709
$8,000,000	$446,536	$468,863
$10,000,000	$558,070	$585,973

EHLERS
LEADERS IN PUBLIC FINANCE

$6,000,000 CIP Bond Tax Levy Impact											
Type of Property	Residential Homestead									Commercial	
Estimated Market Value	$200,000	$250,000	$300,000	$350,000	$400,000	$450,000	$500,000	$600,000	$700,000	$250,000	$500,000
Annual City Tax Impact:	$97.04	$126.30	$155.56	$184.82	$214.08	$241.59	$268.43	$335.54	$402.65	$144.92	$315.40
Monthly Tax Impact:	$8.09	$10.53	$12.96	$15.40	$17.84	$20.13	$22.37	$27.96	$33.55	$12.08	$26.28

$8,000,000 CIP Bond Tax Levy Impact											
Type of Property	Residential Homestead									Commercial	
Estimated Market Value	$200,000	$250,000	$300,000	$350,000	$400,000	$450,000	$500,000	$600,000	$700,000	$250,000	$500,000
Annual City Tax Impact:	$130.34	$169.64	$208.94	$248.24	$287.54	$324.49	$360.54	$450.68	$540.81	$194.64	$423.63
Monthly Tax Impact:	$10.86	$14.14	$17.41	$20.69	$23.96	$27.04	$30.05	$37.56	$45.07	$16.22	$35.30

$10,000,000 CIP Bond Tax Levy Impact											
Type of Property	Residential Homestead									Commercial	
Estimated Market Value	$200,000	$250,000	$300,000	$350,000	$400,000	$450,000	$500,000	$600,000	$700,000	$250,000	$500,000
Annual City Tax Impact:	$162.19	$211.08	$259.98	$308.88	$357.78	$403.76	$448.62	$560.78	$672.93	$242.19	$527.13
Monthly Tax Impact:	$13.52	$17.59	$21.67	$25.74	$29.82	$33.65	$37.39	$46.73	$56.08	$20.18	$43.93

** The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.*

City of St. Francis
Tax Increase on Different Valued Residential Properties

		Tax Capacity	
2022 Tax Levy	$ 4,619,590		
2022 Spreadable Levy	$ 3,683,590	$ 7,280,936 *	50.592%
2021 Tax Levy	$ 4,234,590		
2021 Spreadable Levy	$ 3,297,737	$ 6,518,640	50.589%
Difference 2021 to 2022	$ 385,000	$ 762,296	0.003%

City Taxes only

Estimated Market Value *	Amount Excluded	Taxable Market Value	Tax Capacity Value	2021 City Taxes	2022 City Taxes	Difference	Value jumps $10,000 Yearly	Monthly
150,000	$ 23,740	$ 126,260	$ 1,263	$ 638.94	$ 638.98	$ 0.04		
160,000	$ 22,840	$ 137,160	$ 1,372	$ 694.08	$ 694.12	$ 0.04	$ 55.18	$ 4.60
170,000	$ 21,940	$ 148,060	$ 1,481	$ 749.22	$ 749.27	$ 0.05	$ 55.19	$ 4.60
180,000	$ 21,040	$ 158,960	$ 1,590	$ 804.37	$ 804.41	$ 0.04	$ 55.19	$ 4.60
190,000	$ 20,140	$ 169,860	$ 1,699	$ 859.51	$ 859.56	$ 0.05	$ 55.19	$ 4.60
200,000	$ 19,240	$ 180,760	$ 1,808	$ 914.65	$ 914.70	$ 0.05	$ 55.19	$ 4.60
210,000	$ 18,340	$ 191,660	$ 1,917	$ 969.79	$ 969.85	$ 0.06	$ 55.20	$ 4.60
220,000	$ 17,440	$ 202,560	$ 2,026	$ 1,024.93	$ 1,024.99	$ 0.06	$ 55.20	$ 4.60
230,000	$ 16,540	$ 213,460	$ 2,135	$ 1,080.08	$ 1,080.14	$ 0.06	$ 55.21	$ 4.60
240,000	$ 15,640	$ 224,360	$ 2,244	$ 1,135.22	$ 1,135.28	$ 0.06	$ 55.20	$ 4.60
250,000	$ 14,740	$ 235,260	$ 2,353	$ 1,190.36	$ 1,190.43	$ 0.07	$ 55.21	$ 4.60
260,000	$ 13,840	$ 246,160	$ 2,462	$ 1,245.50	$ 1,245.58	$ 0.08	$ 55.22	$ 4.60
270,000	$ 12,940	$ 257,060	$ 2,571	$ 1,300.64	$ 1,300.72	$ 0.08	$ 55.22	$ 4.60
280,000	$ 12,040	$ 267,960	$ 2,680	$ 1,355.79	$ 1,355.87	$ 0.08	$ 55.23	$ 4.60
290,000	$ 11,140	$ 278,860	$ 2,789	$ 1,410.93	$ 1,411.01	$ 0.08	$ 55.22	$ 4.60
300,000	$ 10,240	$ 289,760	$ 2,898	$ 1,466.07	$ 1,466.16	$ 0.09	$ 55.23	$ 4.60

NOTES:

*This comparison is based on the Estimated Market Value of the home being the same in both years.

** Average Home Value is $235,000 in 2020