



Experience LIFE in the Park

Truth in Taxation Public Hearing

December 6, 2010

Truth-in-Taxation

- The Truth in Taxation Public Hearing is an effort to encourage more transparency between the City of St. Louis Park and its constituents.
- Legislative change requires all cities over 500 in population to now hold Truth in Taxation Public Hearings if there is any property tax increase.
- The City's past practice has been to hold a Public Hearing even when not required, to allow for public input.

Goals for this Public Hearing

- Present information regarding the City's budget process, 2011 Budget and Property Tax Levy for 2011.
- Discuss the general impact the City tax levy has on property taxpayers.
- Answer questions concerning the City's budget process, 2011 Budget and Property Tax Levy for 2011.

St. Louis Park Budget Process

- City Council Direction on “Big Picture”
 - Develop “Guiding Principles”
 - From those, create “Budget Assumptions”
- Meet with Directors and Key Staff on Budget
 - City Manager delivers “Budget Message” which aids in preparing the fiscal year budget.
 - From the message, budgets are focused on:
 - Maintaining Service Delivery
 - Programs
 - Revenue Estimates
 - Staffing Levels
 - Expenditure Estimates

St. Louis Park Budget Process

- Meet with each Director on Prelim. Budget
 - City Manager/Controller discuss budget gap
 - Director goes over each budget
 - Refine as needed to meet “Guiding Principles”
- Meet with City Council on Prelim. Budget
 - Discuss budget and any budget gap
 - Discuss Other Planning Tools:
 - Capital Improvement Plan (CIP)
 - Fee Analysis
 - Long Range Financial Management Plan (LRFMP)
 - Utility Rates

St. Louis Park Budget Process

- After Prelim. Budget Mtg. with City Council
 - Staff refines budget as needed in preparation for Preliminary Levy Certification in early Sept.
- After Preliminary Levy Cert. Adoption:
 - Staff will continue to refine budget to close any budget gap and meet with City Council as needed
 - Continue to refine other planning tools
 - Prepare for Truth in Taxation Public Hearing and Final Levy Adoption

St. Louis Park Budget Process

- Truth in Taxation Public Hearing - (This evening)
 - Presentation on Proposed Budget with comparative data.
 - Meeting encourages transparency.
- Final Levy Certification and Budget Adoption:
 - City Council will adopt Final Levy and Budget at next regular meeting following Truth in Taxation
 - Cities are not required to adopt at a subsequent meeting, but this is St. Louis Park's practice.
- Upon Final Adoption, Levy and Budget Must Be Filed with Certain Government Agencies

What Funds Are Included In The Budget?

- General
 - Special Revenue
 - Enterprise
 - Debt Service
 - Capital Project
 - Internal Service
- Operations

Goal - align information in budget with the Truth in Taxation hearing and Comprehensive Annual Financial Report (CAFR)

2010 Adopted and 2011 Preliminary Budget

| | <u>2010 Final</u> | <u>2011 Proposed</u> | <u>'10 -'11 Change</u> |
|---|---------------------|----------------------|------------------------|
| General Fund Property Taxes | \$15,528,521 | \$16,093,611 | 3.64% |
| MVHC Loss | (638,916) | (667,539) | (4.48)% |
| All Other Revenues | 8,279,748 | 7,857,715 | (5.10)% |
| Total General Fund Revenues | \$23,169,353 | \$23,283,787 | 0.50% |
| Total General Fund Expenditures | \$23,169,353 | \$23,283,787 | 0.50% |
| Park & Recreation Property Taxes | \$ 4,014,872 | \$ 4,000,561 | (0.36)% |
| All Other Revenues | 2,071,294 | 2,131,902 | 2.93% |
| Total Park & Recreation Revenues | \$ 6,086,166 | \$ 6,132,463 | 0.76% |
| Total Park & Recreation Expenditures | \$ 6,086,166 | \$ 6,132,463 | 0.76% |
| Grand Total Revenues - G.F and Park and Rec.: | \$29,255,519 | \$29,416,250 | 0.55% |
| Grand Total Expenditures – G.F. and Park and Rec.: | \$29,255,519 | \$29,416,250 | 0.55% |
| Grand Tot. – Rev over Expend – G.F. and P&R: | \$ 0 | \$ 0 | N/A |



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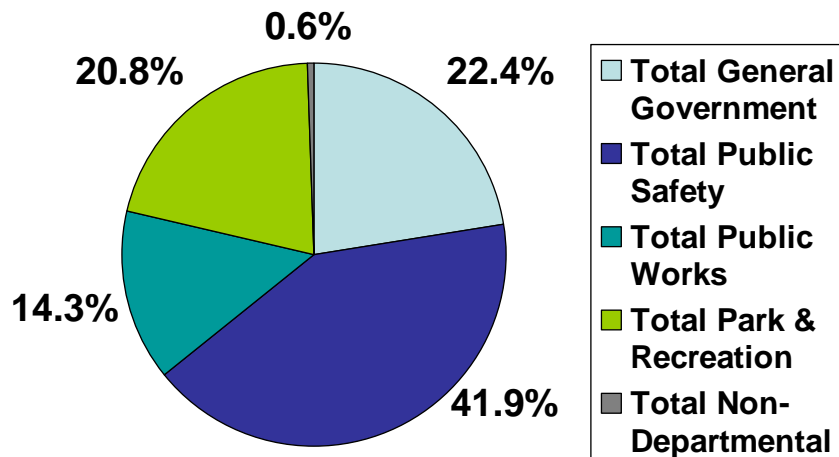
Budget - Revenues G.F & P.R.

| | 2010 | 2011 | '10 - '11 |
|--------------------------------|----------------------|---------------------|--------------|
| Revenues: | Final | Proposed | Change |
| General Property Taxes | \$ 18,904,477 | \$ 19,426,633 | 2.76% |
| Licenses and Permits | 2,301,043 | 2,352,510 | 2.24% |
| Intergovernmental | 1,670,006 | 1,213,839 | -27.32% |
| Charges for Services | 2,211,918 | 2,247,892 | 1.63% |
| Fines, Forfeits, and Penalties | 311,750 | 328,200 | 5.28% |
| Investment Earnings | 200,000 | 200,000 | 0.0% |
| Miscellaneous Revenue | 1,021,500 | 1,057,300 | 3.50% |
| Transfers In | 2,634,825 | 2,589,876 | -1.71% |
| Total Revenues | \$ 29,255,519 | \$29,416,250 | 0.55% |

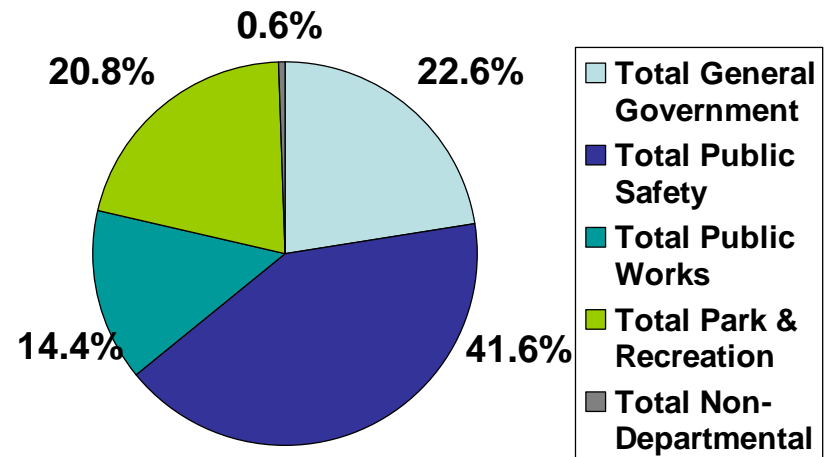
Budget - Expenditures G.F. & P. R.

| | 2010 Final | 2011 Proposed | |
|---------------------------------------|---------------------|---------------------|--------------|
| Total General Government | \$6,550,070 | \$6,641,622 | 1.40% |
| Total Public Safety | 12,244,802 | 12,236,152 | -0.07% |
| Total Public Works | 4,193,800 | 4,226,014 | 0.77% |
| Total Park & Recreation | 6,086,166 | 6,132,462 | 0.76% |
| Total Non-Departmental | 180,681 | 180,000 | -0.38% |
| Total Gen. & Park and Rec. | \$29,255,519 | \$29,416,250 | 0.55% |

2010 Adopted



2011 Proposed



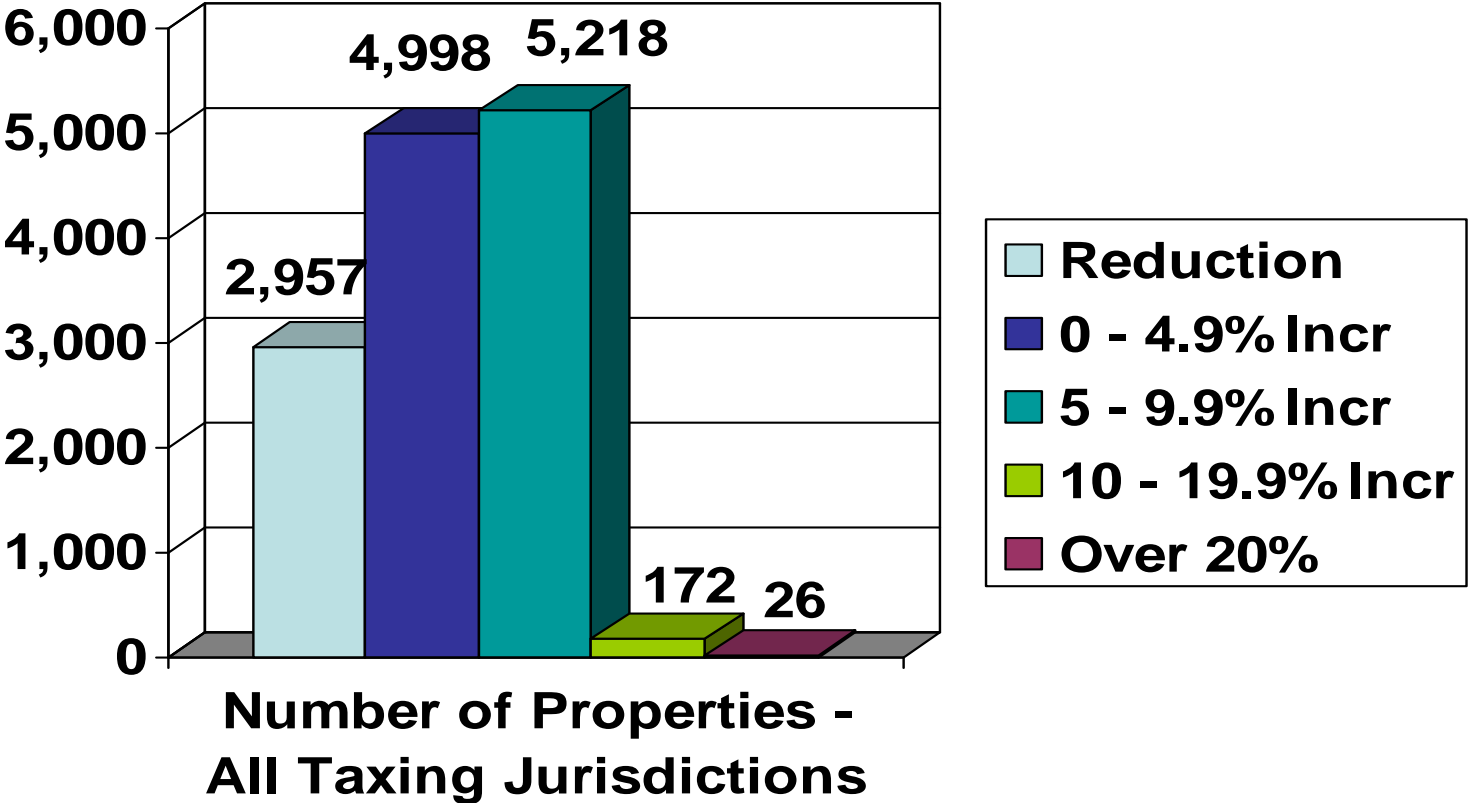
Tax Process

- Assessor sets taxable market value as of January 2, 2010 for taxes payable in 2011
- Valuation notices mailed in March
- City Board of Equalization - April/May
- Hennepin County Board of Equal. - May/June
- Values established for Truth-in-Taxation
- Truth-in-Taxation hearing 12/6/10
- Levy adoption on 12/20/10

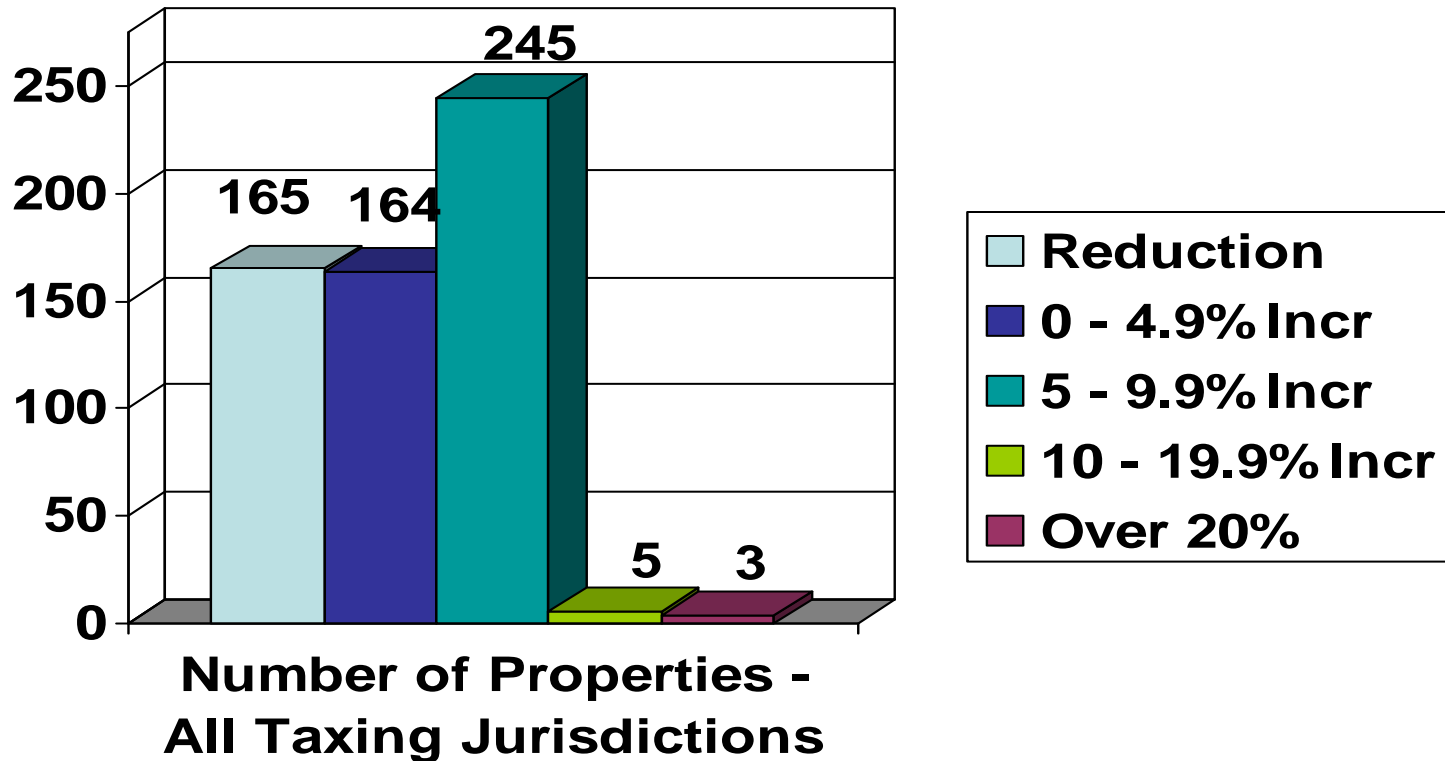
Tax Levy Allocation

| | 2010 Levy | 2011 Proposed | Dollar Chg. From 2010 | %age Chg. From 2010 |
|--|----------------------|----------------------|--------------------------|------------------------|
| TAX CAPACITY BASED TAX LEVY | | | | |
| General Fund and Park & Recreation Fund | \$ 19,543,393 | \$ 20,094,172 | \$ 550,779 | 2.82% |
| Park Improvement Fund | 810,000 | 1,717,839 | 907,839 | 112.08% |
| Capital Replacement Fund | 338,300 | 338,300 | - | 0.00% |
| Pavement Management Fund | 415,000 | 415,000 | - | 0.00% |
| Debt Service | 1,358,700 | 996,995 | (361,705) | -26.62% |
| TOTAL TAX CAPACITY BASED TAX LEVIES | \$ 22,465,393 | \$ 23,562,306 | \$ 1,096,913 | 4.88% |
| Dollar Increase | | \$ 1,096,913 | | |

Average Residential Property Tax Change

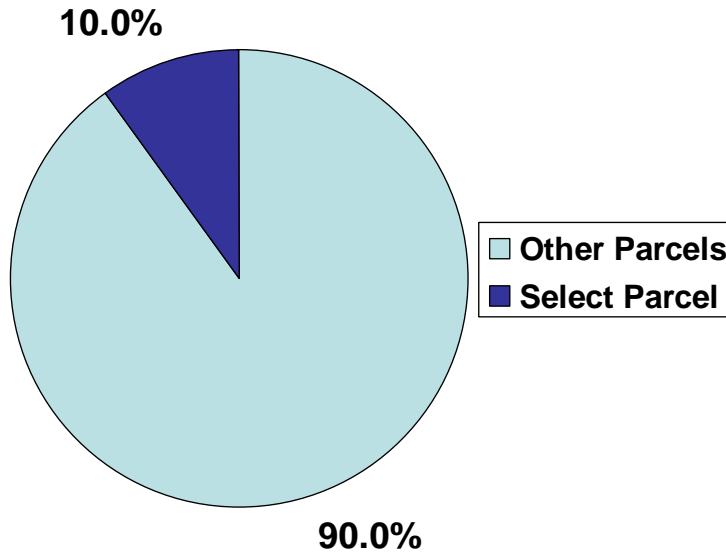


Average Business Property Tax Change

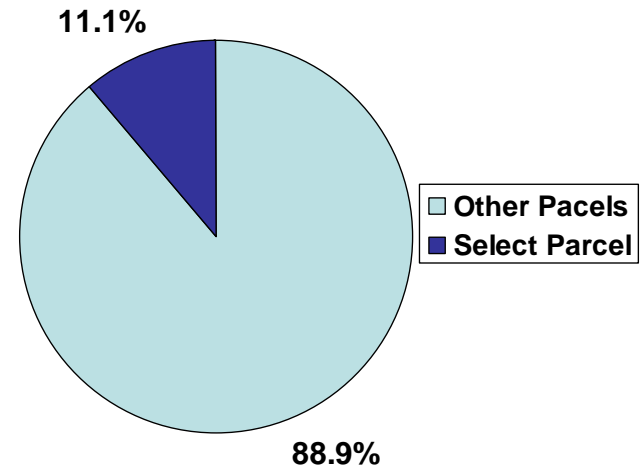


My Property Value Dropped But Taxes Went Up - How?

Tax Base - \$100 - Property Tax \$10



Tax Base \$90 - Property Tax \$10



How Do Our Taxes Compare?

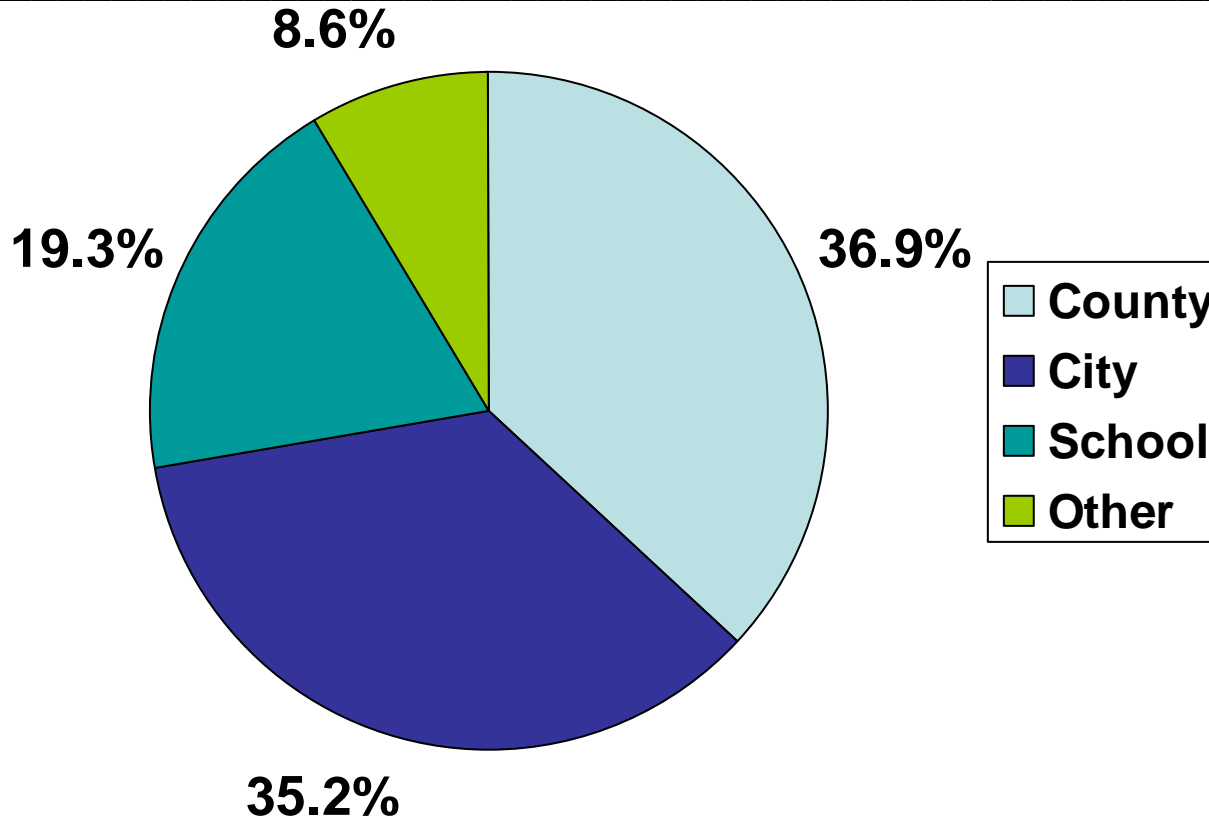
- Comparing Tax Rates for 2011
 - St. Louis Park is 19th out of 46 for City residential property taxes in Hennepin County
 - St. Louis Park is 23rd out of 46 for overall residential property taxes in Hennepin County

(Lower ranking equals lower comparable taxes)



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Where Your Property Taxes Go



*Proposed 2011 Figures

Public Hearing

Public Hearing – the public may address the City Council regarding the 2011 Budget and Proposed 2011 Tax Levy.



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Conclusion

Contact Information:

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- Brian Swanson - Controller - 952-924-2683, bswanson@stlouispark.org
- Cory Bultema - City Assessor - 952-924-2536, cbultema@stlouispark.org