

Item 63

2016 BUDGET & PROPERTY TAX OVERVIEW

Overall Spending Grows

Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2015 Adopted Budget	2016 Proposed Budget	
City General Fund	234,209,819	242,630,338	
Library General Fund (a)	16,725,326	16,928,586	
General Fund Subtotal:	<u>250,935,145</u>	<u>259,558,924</u>	
Less Transfers	(1,638,239)	(1,600,618)	
Net General Fund Subtotal:	<u>249,296,906</u>	<u>257,958,306</u>	
	General Fund Total Change 2015-2016	8,661,400	3.5%
City Special Funds	270,975,923	285,313,464	
Library Special Funds (a)	1,533,971	1,289,602	
Special Fund Subtotal:	<u>272,509,894</u>	<u>286,603,066</u>	
Less Transfers	(44,267,718)	(49,355,911)	
Net Special Fund Subtotal:	<u>228,242,176</u>	<u>237,247,155</u>	
City Debt Service Funds	63,157,694	68,245,105	
Less Subsequent Year Debt	(13,458,092)	(12,854,838)	
Debt Service Subtotal	<u>49,699,602</u>	<u>55,390,267</u>	
Less Transfers	(4,870)	(4,800,000)	
Net Debt Service Subtotal:	<u>49,694,732</u>	<u>50,590,267</u>	
Net Spending Total:	<u><u>527,233,814</u></u>	<u><u>545,795,728</u></u>	
	Net Spending Total Change 2015-2016	18,561,914	3.5%

...Mostly Due to One-time Investments

Composite Summary - Total Budget

	2015 Adopted Budget	2016 Proposed Budget	Change	% Change
General Fund w/Library:	249,296,906	257,958,306	8,661,400	3.47%
All Funds:	527,233,814	545,795,728	18,561,914	3.52%
Growth Less One-Time Expenses				
General Fund w/ Library	249,296,906	255,867,402	6,570,496	2.64%
All Funds:	527,233,814	533,312,564	6,078,750	1.15%

One Time Investments

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2016 One Time Investments

<u>Description</u>	<u>All Funds</u>	<u>General Fund</u>
Golf Debt Defeasance	4,800,000	
Work Comp Software System	200,000	
Parking Meter Implementation	898,000	898,000
Phone System Replacement	1,480,325	
Leap Year Wages and Benefits	1,279,839	767,903
Police RMS	3,000,000	
Police Body Cam Pilot	400,000	
Disparity Study	400,000	400,000
Franchise Fee Audit	25,000	25,000
Total	12,483,164	2,090,903
Spending Growth (less one time)	6,078,749	6,570,496
% Growth in Spending (less one time)	1.15%	2.64%

Property Tax Levy Distribution

	<u>2015 Adopted</u>	<u>2016 Proposed</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct of City 15 Total</u>	<u>Pct of City 16 Total</u>
City of Saint Paul						
General Fund	72,662,437	74,439,438	1,777,001	2.4%	71.4%	71.7%
General Debt Service	12,408,754	12,393,448	(15,306)	-0.1%	12.2%	11.9%
Saint Paul Public Library Agency	16,753,951	16,961,357	207,406	1.2%	16.5%	16.3%
Total (City and Library combined)	101,825,142	103,794,243	1,969,101	1.9%	100.0%	100.0%
Port Authority	1,811,700	1,811,700	-	0.0%		
Overall Levy (City, Library & Port)	103,636,842	105,605,943	1,969,101	1.9%		

City Fees on a Typical Household

\$151,500 home with a 4.5% increase in value over 2015

Payment to the City:	Adopted 2015	Proposed 2016
City share of property tax	\$529	\$543
Right of way maintenance assessment	\$198	\$203
Sanitary sewer charges*	\$226	\$246
<i>Base Fee</i>		\$12
<i>Volume Fee</i>		\$8
Storm sewer charges	\$85	\$88
Recycling fee	\$53	\$54
Total direct billing for city services	\$1,091	\$1,134
Net Change Direct Billing		\$43
Water Charges (SPRWS)	\$292	\$304
Grand Total for All City Services	\$1,383	\$1,438
Net Change Grand Total		\$55

*Due to conservation efforts by the Public Works Department, fewer CCF's (unit of charge) are being used by a typical household. The forecast reduces the CCF usage thus reflecting a smaller sanitary fee than from years past.

2016 Property Tax Environment

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- Tax levies for all jurisdictions in Ramsey are increasing by 2.9% in aggregate. The City of Saint Paul levy is proposed to increase by 1.9%.
- Residential property values are continuing to increase by larger amounts than other properties in 2016.
- Some areas of the city are recovering from the recession faster than others, resulting property tax shifts between neighborhoods.
- 85% of commercial, industrial and 53% of apartment properties will have property tax decreases due to relatively slower market value growth.

**Factors Affecting Payable 2016 St. Paul Property Taxes
For a Median Value Single Family Home
of \$151,500 assuming a 4.5% Increase in Estimated Market Value**

Factors	Amount
Final Payable 2015 Total Tax (\$145,000 EMV Home)	\$ 2,036
Loss of Fiscal Disparities	\$ 16
Change in Homestead Exclusion Benefit	9
Other Shifts	(26)
Total Decrease Due to Tax Shifts	\$ (1)
County Levy	\$ 24
Regional Rail Levy	4
School District Levy	40
City Levy	18
Other Special Taxing Districts Levy	10
Total Increase Due To Changes in Levy	\$ 96
Estimated Payable 2016 Total Tax (\$151,500 EMV Home)	\$ 2,131

Change that will appear on Proposed Notice
\$ 30
4
38
14
10
\$ 96
Perc Change
4.7%

<u>Assumptions:</u>	2015 Levy	Proposed 2016 Levy	Levy Change	% Change
County Levy	\$ 276,538,351	\$ 284,416,350	\$ 7,877,999	2.8%
City Levy	103,636,842	105,605,943	1,969,101	1.9%
ISD 625 Levy	136,407,114	141,208,631	4,801,517	3.5%
Regional Rail Authority Levy	19,143,354	20,459,447	1,316,093	6.9%
St. Paul HRA	3,278,148	3,278,148	-	0.0%

Explanation of terms:

- **Increase due to tax shifts:** This amount is how much property taxes would change assuming that none of the taxing authorities changed their levies. As market values of homes increase, the homestead exclusion decreases – which means that taxes are shifted from higher-valued homes, apartments and commercial property. Properties change in value at different rates of change. Properties with a faster rate of increase in value see an increase in taxes due to shifts from those with a slower rate of increase in value, no change or a decrease.
- **Increase due to changes in levy:** Shows the tax impact of levy changes.
- **What is a levy?:** A property tax levy is the amount of money requested by a governmental agency to be raised from property taxes in support of a given year's budget.

**Factors Affecting Payable 2016 St. Paul Property Taxes
For a Median Value Commercial Property
of \$372,150 assuming a 3.0% Increase in Estimated Market Value**

Factors	Amount
Final Payable 2015 Total Tax (\$361,200 Commercial Property)	\$ 13,832
Loss of Fiscal Disparities	\$ 61
Other Shifts	(380)
Total Decrease Due to Tax Shifts	\$ (319)
County Levy	\$ 87
Regional Rail Levy	20
School District Levy	127
City Levy	68
Other Special Taxing Districts Levy	33
Fiscal Disparity Tax	-
State Business Tax	-
Total Increase Due To Changes in Levy	\$ 335
Estimated Payable 2016 Total Tax (\$372,150 Commercial)	\$ 13,848

Change that will appear on Proposed Notice
\$ 158
20
156
91
41
(438)
(12)
\$ 16
Perc Change
0.1%

<u>Assumptions:</u>	2015 Levy	Proposed 2016 Levy	Levy Change	% Change
County Levy	\$ 276,538,351	\$ 284,416,350	\$ 7,877,999	2.8%
City Levy	103,636,842	105,605,943	1,969,101	1.9%
ISD 625 Levy	136,407,114	141,208,631	4,801,517	3.5%
Regional Rail Authority Levy	19,143,354	20,459,447	1,316,093	6.9%
St. Paul HRA	3,278,148	3,278,148	-	0.0%

**Median Estimated Market Value of Residential Property
By St. Paul Planning District
Taxes Payable Year 2015 to Estimated 2016**

Values as of: For Taxes Payable In:	Median Estimated Home Market Values		
	01/02/14 2015	01/02/15 2016	% Change From '15 - '16
Planning District			
1. Sunray/Battlecreek/Highwood	\$144,200	\$146,600	1.7%
2. Greater East Side	123,900	129,700	4.7%
3. West Side	121,400	130,100	7.2%
4. Dayton's Bluff	94,400	98,700	4.6%
5. Payne/Phalen	104,900	112,000	6.8%
6. North End	90,600	104,400	15.2%
7. Thomas Dale	81,600	89,800	10.0%
8. Summit/University	170,800	176,000	3.0%
9. West Seventh	130,000	140,400	8.0%
10. Como	191,900	195,000	1.6%
11. Hamline/Midway	143,900	148,900	3.5%
12. St. Anthony Park	250,950	261,700	4.3%
13. Merriam Park/Snelling/Lexington/Hamline	250,700	257,850	2.9%
14. Macalester/Groveland	269,900	275,200	2.0%
15. Highland	256,750	265,800	3.5%
16. Summit Hill	328,050	339,150	3.4%
17. Downtown	124,200	139,100	12.0%

Final Payable 2015 Rate	Estimated Payable 2016 Rate	Estimated		
P2015 Final Taxes	P2016 Estimated Taxes	\$ Change From '15 - '16	% Change From '15 - '16	Targeting Property Tax Refund
152.350%	150.218%			
0.13495%	0.13851%			
\$2,021	\$2,045	\$24	1.2%	
1,657	1,743	86	5.2%	
1,613	1,751	138	8.6%	
1,128	1,193	65	5.8%	
1,316	1,429	113	8.6%	
1,059	1,295	236	22.3%	\$ (65)
898	1,035	137	15.3%	(18)
2,499	2,566	67	2.7%	
1,767	1,934	167	9.5%	
2,878	2,903	25	0.9%	
2,016	2,085	69	3.4%	
3,939	4,088	149	3.8%	
3,934	4,019	85	2.2%	
4,280	4,327	47	1.1%	
4,042	4,161	119	2.9%	
5,322	5,463	141	2.6%	
1,662	1,911	249	15.0%	(30)

*Notes: Tax rates and taxes will be slightly higher for the small portion of the City located in the Ramsey/Washington Metro Watershed District.

Who Determines Your Property Tax?

State Legislature

- Sets Property Tax Policy
- Establishes Property Classes & Class Rates
- Determines Levels of State Aid
- Underfunded Mandates to Local Governments
- Levies State Business Tax



Taxing Jurisdictions

- Determines Levy Amount

County Assessor

- Determines Market Value
- Assigns Property Class

Budget and Property Tax Resources

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- Saint Paul Budget Information

www.stpaul.gov/budget

- Property Values and Taxes

www.co.ramsey.mn.us/prr/information.htm

- Proposed Property Tax Notice

[www.co.ramsey.mn.us/prr/Proposed Tax Info.htm](http://www.co.ramsey.mn.us/prr/Proposed_Tax_Info.htm)

- State Property Tax Refund Program

www.revenue.state.mn.us