

City Council Strategic Priority Work Session

January 29, 2018
City Hall – A102



Agenda

- ▶ Recap & Summary of 2017 Priorities
- ▶ Grand Forks Main Street Initiative
- ▶ Budget Discussion
 - 2017 Recap of Budget Performance
 - 2018 Budget Highlights
 - 2019 Outlook and Timeline
- ▶ Public Art Briefing
- ▶ Public Library Briefing
- ▶ Other Discussion

2017 General Fund Budget Recap*

	2017 Budget (Original)	2017 Actual Preliminary Data)	Percentage of Budget
Revenues	\$37,749,292	\$37,736,597	99.97%
Expenses	\$37,749,292	\$37,586,406	99.57%

Figures Above Exclude Airport Pass-Through

- ▶ Sales Tax: 95% of Budget
- ▶ State Aid: 88% of Budget
- ▶ Operating Expenses: 98.5% of Budget
 - ▶ Excludes Wages/Benefits & Capital Expenditures

*See Budget Performance Summary Handout for Full Recap

2018 Budget Highlights

- ▶ **Balanced Budget with 6-Year Outlook**
- ▶ **Zero Mill Increase**
 - Value of Mill Increased of 5% (56.5% Revaluation, 43.5% Growth)
 - Noticed 2.85% Increase
- ▶ **General Fund Budget Less than 1% Increase Overall**
 - Salary Plan Increase of 2.22%
 - 2016: \$38.7M | 2017: \$38.6M | 2018: \$39.0M
- ▶ **Decreased Key Revenue Streams**
 - Decreased State Aid by 7%
 - Decreased Sales Tax by 3%
- ▶ **Focus on Public Safety**
 - 53% of General Fund Budget
- ▶ **Street and Water Sales Tax Vote Passed**
 - No Change in Water Rates for 2018 (As Amended)

2019 Budget Discussion

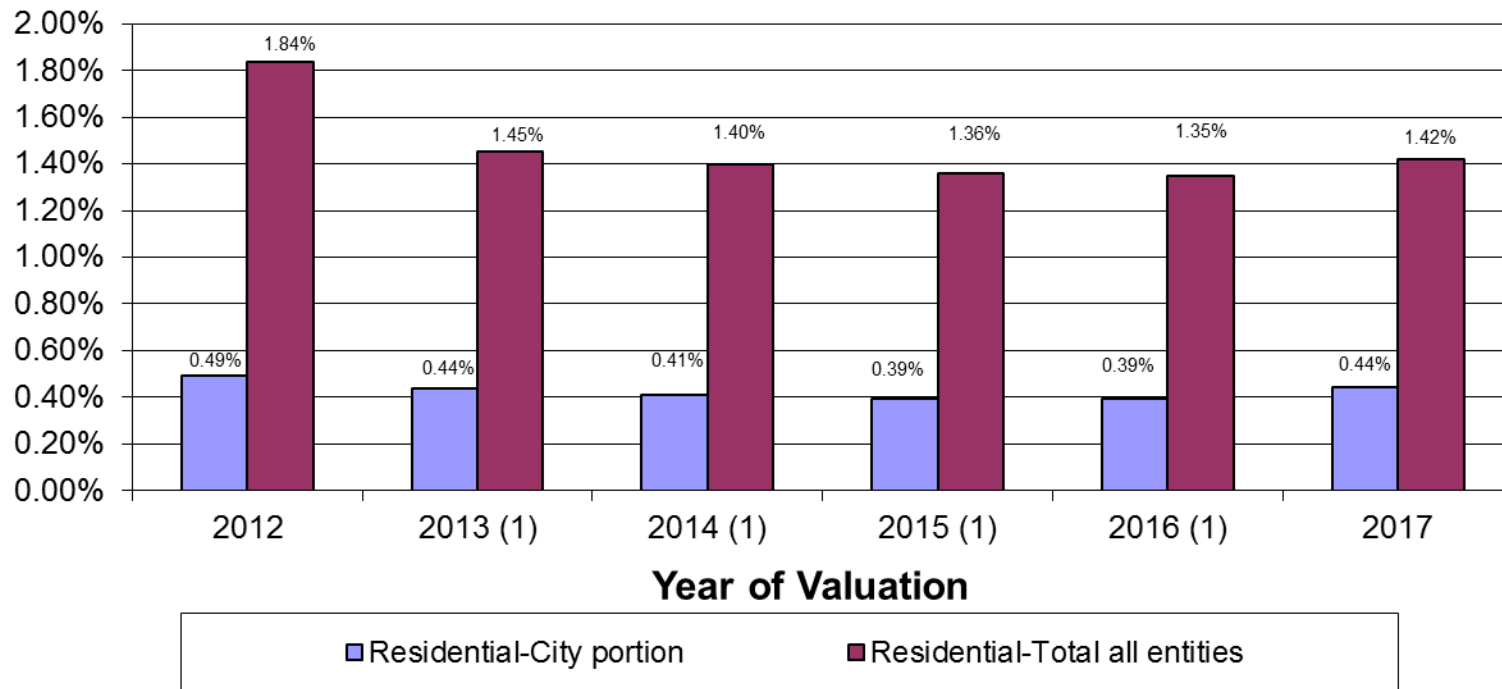
- ▶ 10–Yr Property Tax Comparison (2008–2017)
 - See Handout for More Information

Year	2008	2017
Median Value Home	\$134,600	\$192,300
Total Taxes Paid (All Entities)*	\$2,863.26	\$2,729.05

- *Does not include 5% discount for early payment

2019 Budget Discussion

Effective Tax Rate History



- ▶ (1) State 12% Buy-Down in Effect.

2019 Budget Discussion

- ▶ 2019 Budget Timeline (Preliminary)*
 - February & March
 - Council Strategic Work Sessions as Needed
 - March 30
 - Departmental Budget Requests due to Finance
 - April 16
 - Review Budgets with Departments/Mayor
 - City Council Work Sessions Begin
 - July 23
 - Presentation of 2019 Mayor's Budget
 - August 6
 - Council Approves Preliminary Budget
 - State Law change requires Preliminary Approval by Aug 10th
 - September 17
 - Council Approves Final Budget

*See Budget Process Timeline Handout for Work Session Dates and Details

2019 Budget Discussion

- ▶ Growth Indicators
 - Still Many Unknowns
- ▶ 2017 Annual Inflation Rate
 - 1.4%
- ▶ 2016 Population Estimate (MPO)
 - 59,299
- ▶ Annexations
 - 7 Annexations in 2017, Totaling 159.72 Acres

BUDGET PERFORMANCE SUMMARY
4th Quarter, 2017 (Preliminary)

GENERAL FUND-Revenue	2017	2017	Percent
Account	Budget	Preliminary Actual	of Bdg
Real Estate & other Tax (including pmt in lieu)	\$ 14,700,026	\$ 14,209,990	97%
Sales Tax	5,187,160	4,929,105	95%
Alcohol License	350,000	403,089	115%
Restaurant License	60,000	71,720	120%
Bldg Permits	900,000	809,270	90%
Other License & Permits	554,320	579,252	104%
Cigarette Tax (Received Semi-annually)	150,000	152,014	101%
State Aid (Received Qtrly)	3,500,000	3,079,446	88%
Other Intergovernmental	814,163	903,394	111%
Charges for Services & SA's	6,133,551	6,753,849	110%
Court Levied Fines	585,000	557,030	95%
Parking Fines	250,000	298,310	119%
Other Fines & Forfeitures	10,000	19,182	192%
Interest & Misc	193,346	174,572	90%
Operating Transfer In	1,661,726	1,783,177	107%
Cable Franchise Fees (Received monthly)	940,000	957,466	102%
Nodak Franchise Fees (Received monthly)	220,000	364,990	166%
Xcel Franchise Fees (Received Qtrly)	1,175,000	1,325,741	113%
Use of Fire Reserve Cash	365,000	365,000	100%
(1)	\$ 37,749,292	\$ 37,736,597	100%

GENERAL FUND-Expense	2017	2017	Percent
Account	Budget	Preliminary Actual	of Bdg
Wages	\$ 21,432,405	\$ 21,288,416	99%
Benefits	8,966,719	8,413,059	94%
Materials & Supplies	1,127,107	948,462	84%
Utilities	918,039	784,592	85%
Contract Services	1,356,558	1,345,401	99%
Mtce of Structures	304,237	331,371	109%
Mtce of Equipment	953,355	1,015,186	106%
Other Operating	1,344,094	1,491,419	111%
Operating Transfer Out	979,873	1,098,556	112%
Capital	366,905	537,050	146%
Capital Reserve Transfer	-	332,894	
(1)	\$ 37,749,292	\$ 37,586,406	100%

(1) Totals do not reflect portion budgeted for Airport (pass thru)

ENTERPRISE FUNDS	2017	2017	Percent
Account	Budget	Preliminary Actual	of Bdg
Sanitation Revenue - total	\$ 10,842,836	\$ 10,649,455	98%
-- User Fees	7,200,000	7,273,870	101%
Sanitation Expenses - total	\$ 10,881,832	\$ 9,646,767	89%
Wastewater Revenue - total	\$ 10,141,977	\$ 10,470,423	103%
-- User Fees	9,300,000	9,387,246	101%
-- BOD/TKN/TSS Surcharges	273,000	294,885	108%
Wastewater Expenses	\$ 10,101,574	\$ 9,502,414	94%
Water Utility Revenue - total	\$ 11,896,032	\$ 11,952,227	100%
-- User Fees	11,336,000	11,350,118	100%
Water Utility Expenses - total	\$ 15,642,333	\$ 13,334,839	85%
Stormwater Revenue - total	\$ 2,748,000	\$ 2,723,523	99%
-- User Utility	1,790,000	1,794,732	100%
-- Flood Greenway	760,000	770,914	101%
Stormwater Expenses - total	\$ 2,766,650	\$ 2,301,596	83%

10- Year Property Tax Comparison 2008 to 2017

For 2008 tax year, City of Grand Forks median house value was \$134,600

	<u>Mills</u>	<u>Tax Dollars</u>	<u>%</u>
State Med Ctr & Garrison Diversion	2.00		0.42%
City of Grand Forks	107.92		22.82%
Grand Forks School District	** 213.69		45.21%
Grand Forks Park District	39.02		8.26%
Grand Forks County	<u>110.09</u>		<u>23.29%</u>
2008 Consolidated Mill Levy	472.72	\$2,863.26	100.00%

For 2017 tax year, City of Grand Forks median house value was \$192,300

	<u>Mills</u>	<u>Tax Dollars*</u>	<u>%</u>
State Med Ctr & Garrison Diversion	2.00		0.63%
City of Grand Forks	98.79		31.33%
Grand Forks School District	**97.36		30.87%
Grand Forks Park District	39.17		12.42%
Grand Forks County	<u>78.05</u>		<u>24.75%</u>
2017 Consolidated Mill Levy	315.37	\$2,729.05	100.00%

Tax Dollars shown do not include the 5% discount for the Feb. 15th payment date.

** The large drop in the mill levy for School District was due to the increase in state funding to school districts in exchange for lowering the property tax levy.

Median True & Full Value has increased 42.9% over the past 10 years.
Mill Levy has dropped 33.3%

Based on the median home values, Property Tax Dollars have decreased by \$134.21 or 4.7% since 2008.

ESTIMATED - 2017 Grand Forks County Real Estate Tax Statement

Parcel Number	Jurisdiction GF City SCH5	2017 TAX BREAKDOWN	
Owner	Physical Location	Net Consolidated	2,917.80
		Plus: Special assessments	0
		Total tax due	2,917.80
		Less: 5% discount, if paid by Feb. 15th	145.89
		Amount due by Feb. 15th	2,771.91
Legal Description		Or pay in two installments (with no discount):	
		Payment 1: Pay by Mar 1st	1,458.91
		Payment 2: Pay by Oct 15th	1,458.99

Legislative tax relief (3-year comparison):	2015	2016	2017	Special assessments:	
Legislative tax relief	1,420.75	1,492.65	1,341.08	Principal	0
Total legislative tax relief	<u>1,420.75</u>	<u>1,492.65</u>	<u>1,341.08</u>	Interest	0
Tax distribution (3-year comparison):	2015	2016	2017	Installation payment due	0
True and full value	190,000	200,000	205,600	Remaining balance due	0
Taxable value	8,550	9,000	9,252		
Less: Homestead credit	0	0	0	5,600	2.80% Average valuation increase
Veterans credit	0	0	0		
Net taxable value	<u>8,550</u>	<u>9,000</u>	<u>9,252</u>		
Total Mill levy	343.08	340.42	315.37	-25.05 Mill decrease	
Taxes By District (in dollars):					
County	885.27	909.36	713.70	-195.66	-21.52% 77.14 mills (23.90 mill decrease)
City/Township	847.13	889.20	914.01	24.81	2.79% 98.79 mills (.01 decrease)
Park	345.42	362.52	362.40	-0.12	-0.03% 1.11 decrease (40.28 to 39.17)
School (after state reduction)	832.43	876.24	900.77	24.53	2.80% Remain at 97.36 mills
St/Garrison	17.10	18.00	18.50	0.50	2.80% Remain at 2 mills
Soil	5.99	8.46	8.42	-0.04	-0.48% .03 mill decrease (.94 to .91)
Consolidated tax	2,933.33	3,063.78	2,917.80	-145.98	-4.76%
Less: 12% state-paid tax credit	352.00	367.65	0.00		
Net consolidated tax	<u>2,581.33</u>	<u>2,696.13</u>	<u>2,917.80</u>	221.68	8.22% Increase
Net effective rate	<u>1.36%</u>	<u>1.35%</u>	<u>1.42%</u>		

183.08 Less State paid 12% vs SS Funding

↑ Detach here and mail with your payment ↑

2017 Grand Forks County Real Estate Tax Statement

Your cancelled check is your receipt for your payment.

No receipt will be issued.

Parcel Number :
Statement Number:

Please change mailing address if incorrect.

Total tax due	2,917.80
Less: 5% discount	145.89
Amount due by Feb 15th	2,771.91

Or pay in two installments (with no discount):	
Payment 1: Pay by Mar 1st	1,458.91
Payment 2: Pay by Oct 15th	1,458.89

MAKE CHECK PAYABLE TO:
Grand Forks County Treasurer
P.O. Box 5638
Grand Forks, ND 58206-5638
Phone: 701-780-8292

Draft 2019 Budget Process Timeline (As of 1/8/2018)

