



Preliminary budget

City of Hastings MN



Budget Timelines

- ▶ September 5th – Council will set preliminary Budget, Levy, and Truth in Taxation hearing
- ▶ October – Budget Workshop (Tentative)
- ▶ December 4th - Truth in Taxation hearing
- ▶ Council adopts final Budget, Levy, CIP, and CEP on December 18th

Current vs Proposed Levy

	2017-current	2018-proposed	Difference	%
General Levy Piece	\$ 9,610,920	\$10,155,832	544,912	5.6%
Debt Levy Piece	\$ 3,350,000	\$ 3,439,475	89,475	2.6%
Total General Levy	\$12,960,920	\$13,595,307	634,387	4.9%
Total HEDRA Levy	\$ 311,819	\$ 322,808	10,989	3.5%

2018 Levy

➤ A 1% increase in Levy is equal to \$129,609

2017 Levy	12,960,920
3%	388,828
4%	518,437
5%	648,046
6%	777,655
7%	907,263

Last 3 years we
have
increased
\$450,000 or
3.6% to 3.9%

Current
proposal is
\$634,378
increase or
4.89%



2018 Levy

- ▶ Why the larger increase?
 - ▶ Election year- additional expense for cost of holding election (\$43,600)
 - ▶ Preliminary 10% increase budgeted for insurance costs (\$107,600)
 - ▶ Retiree Health Insurance \$225,000
 - ▶ Preliminary 3% wage increase budgeted (\$ 391,000)
 - ▶ Increased building and equipment repair dollars requested for aging infrastructure and equipment (\$54,300)
 - ▶ Revenue sources predicted to stay relatively flat, no large increases projected



Possible new revenue source

- ▶ Fee for use of the fields by athletic groups
- ▶ It is estimated they use 2,500 hours annually
- ▶ Extra work is done to keep the fields in condition for organizations
- ▶ Other citizens cannot use the fields when the groups are playing or practicing
- ▶ Propose a \$6 to \$10 an hour fee for field usage
- ▶ Staff proposes working with the organizations to implement the fee and collection strategy



2018 LGA

- ▶ 2018 Operating Budget is independent of LGA dollars
- ▶ LGA dollars are used for one-time expense
- ▶ 2018 LGA dollars \$704,117
- ▶ Increase of \$ 85,071 from 2017



Capital Project Funding Sources

- ▶ Capital project funding sources:
 - ▶ Local Government Aid
 - ▶ Bonds
 - ▶ Budget stabilization
 - ▶ Internal service fund (Vehicle)
 - ▶ Municipal State Aid
 - ▶ Fund Balance
- ▶ General levy Capital requests totaling \$ 5,777,312



2018 Capital Infrastructure Projects

- ▶ Currently budgeted Infrastructure Capital projects funded
 - ▶ 2018 Mill & Overlay - \$460,000
 - ▶ 2018 Riverfront Renaissance 3.1 - \$775,000
 - ▶ 2018 Street Reconstruction project - \$2,800,000
 - ▶ Hwy 61 & 15th Street Signal - \$182,000
 - ▶ Vermillion River Silt Removal - \$150,000



2018 Capital Items

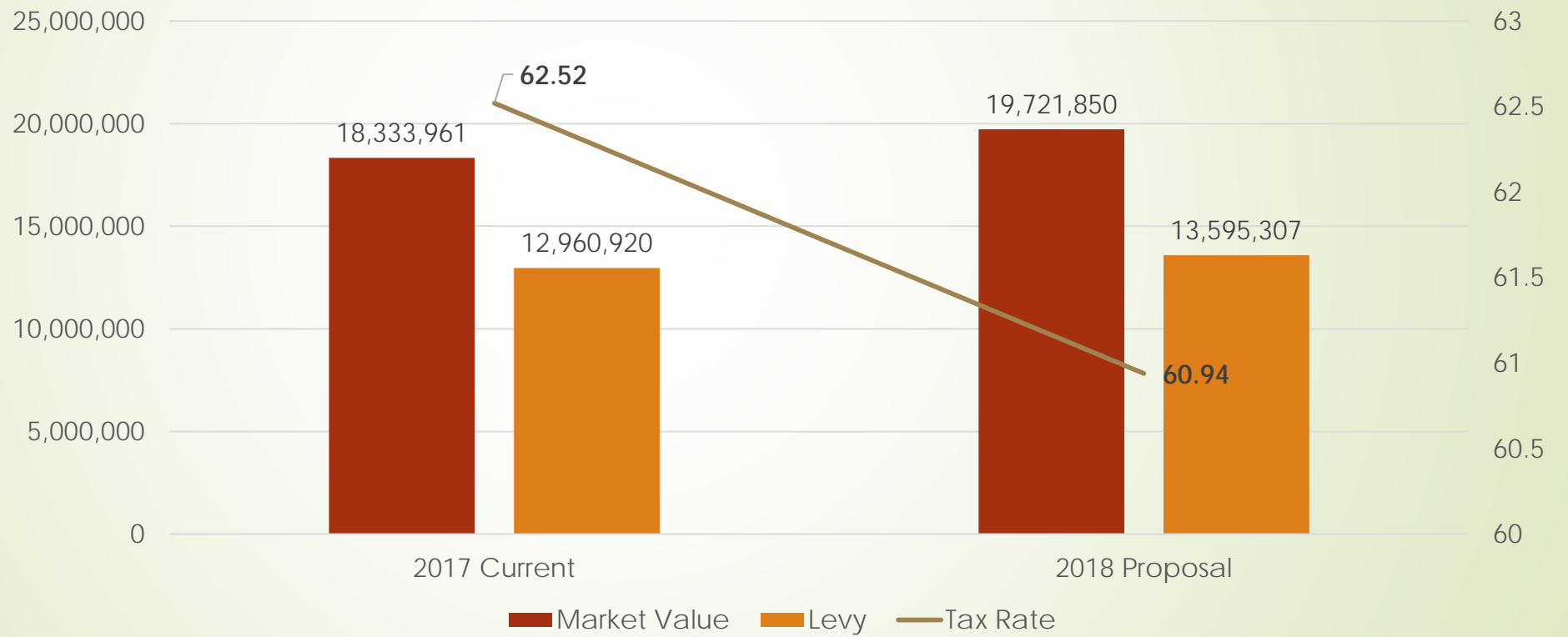
- ▶ Dakota County Transit Study (\$40,000)
- ▶ Marked public safety vehicles- police, fire, ambulance (\$292,000)
- ▶ Pool upgrades and equipment reconditioning (\$77,225)
- ▶ Gateway sign (\$25,000)
- ▶ I.T. Upgrades/Additions (\$66,017)
- ▶ Street light poles (\$40,000)



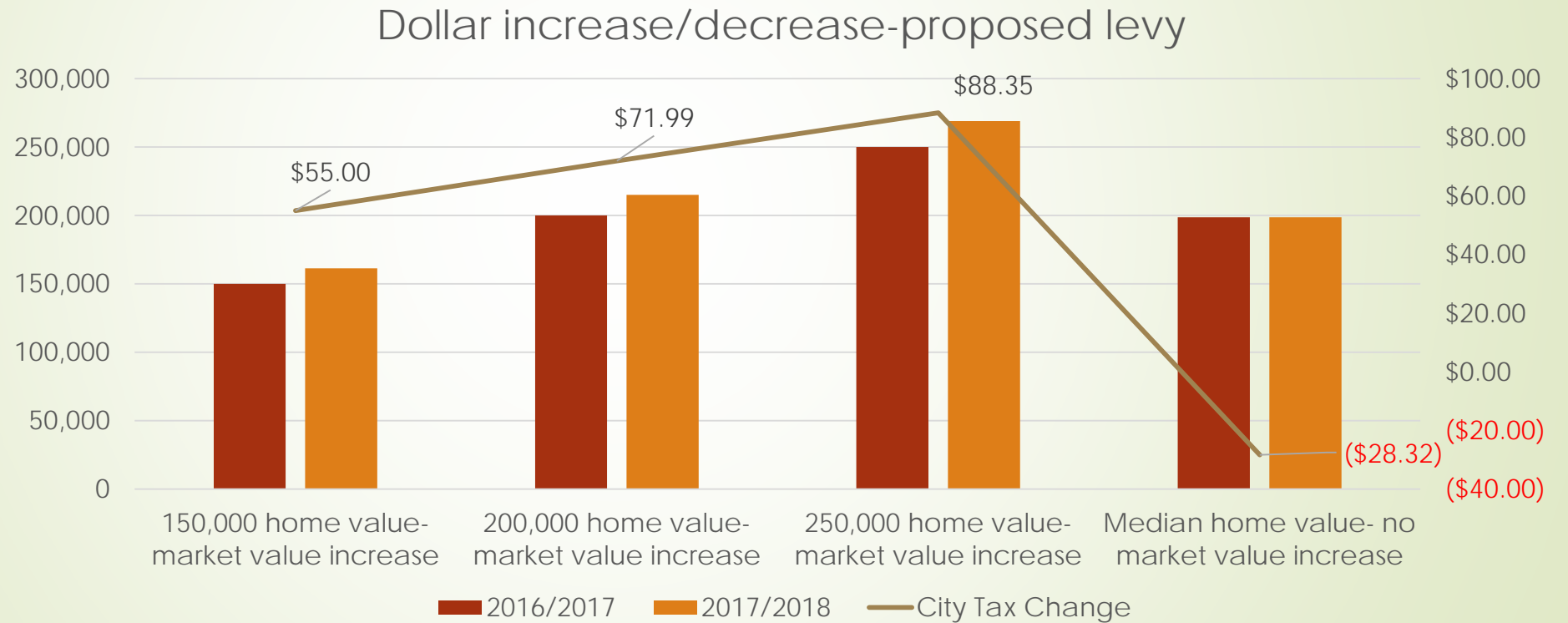
2018 HEDRA

- ▶ HEDRA Economic Development Initiatives
 - ▶ Vermillion Street Redevelopment (\$40,000)
 - ▶ Future Business park (\$20,000)
 - ▶ Enhanced Residential Rehab (\$40,000)

2018 Market Value Increase 7.57%



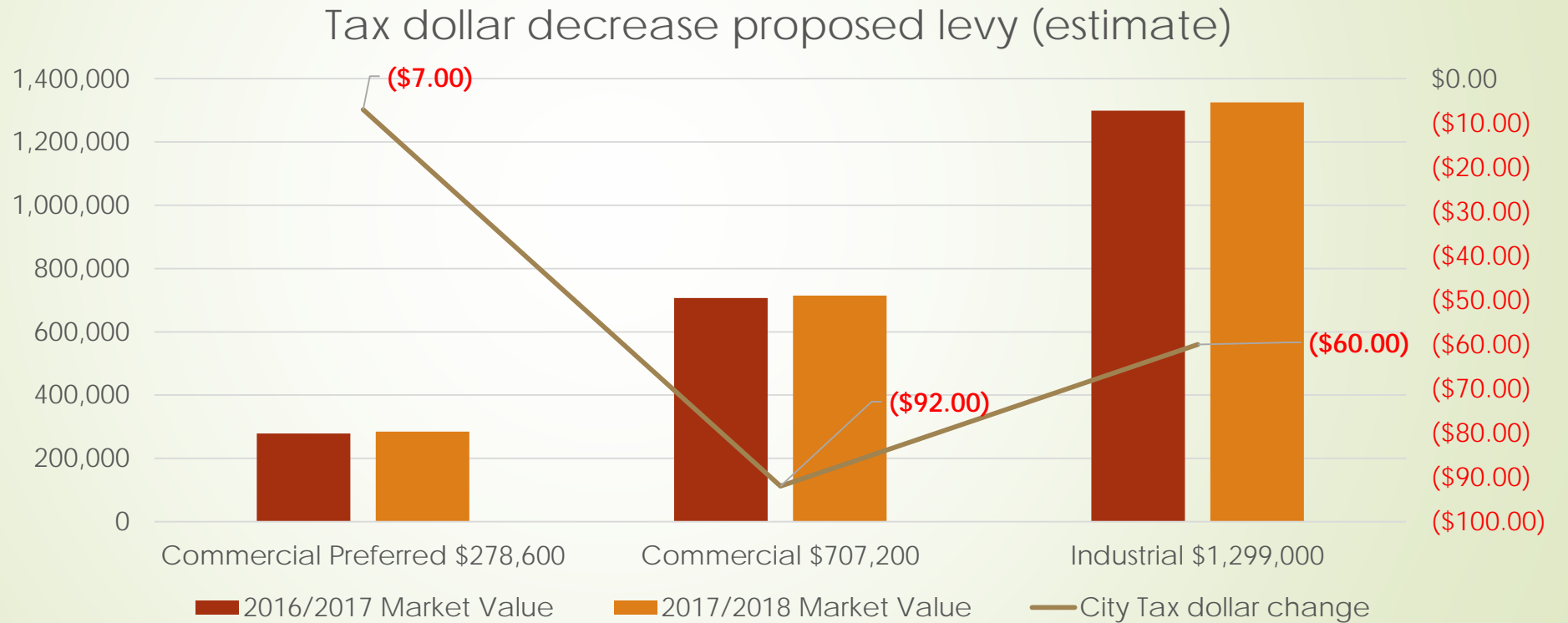
2018 Residential Tax Impact – Median home value \$198,600




2018 Residential Impact Causation

Home Value	Market Value Increase	City Estimated Tax 2018	City Tax 2017	Due to change in value	Due to change in rate
150,000	150,000	\$770	\$790	\$0	-\$20
150,000	161,355	\$845	\$790	\$55	\$0
200,000	200,000	\$1,102	\$1,130	\$0	-\$29
200,000	215,140	\$1,202	\$1,130	\$72	\$0
250,000	250,000	\$1,434	\$1,471	\$0	-\$37
250,000	268,925	\$1,559	\$1,471	\$88	\$0

2018 Commercial Tax Impact=2% Market value increase





Market Value Increase broken down by segment

Property Type	Hastings % change
Residential	6.89%
Townhouse	8.57%
Condo	18.62%
Apartment	11.79%
Commercial/Industrial	1.98%



2018 Proposed Staff Changes

- ▶ Engineering intern (\$7,800)
 - ▶ Communications Coordinator position to full time (\$36,000)
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