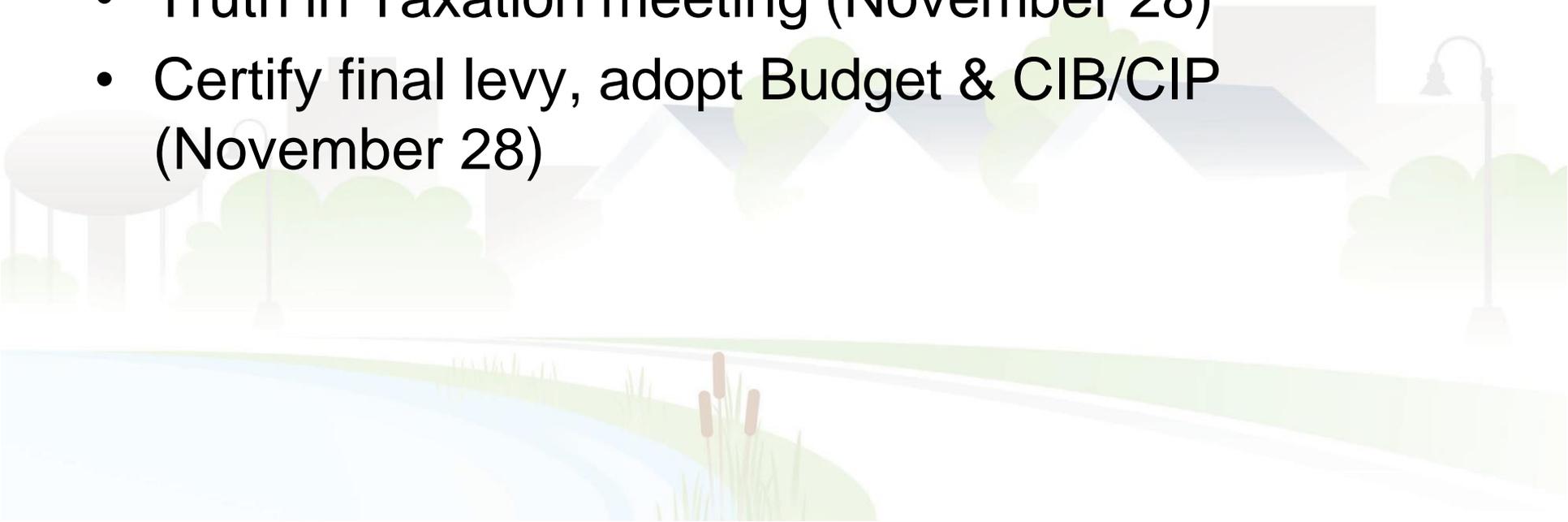




2024 Budget Preview



Timetable and key events

- Tonight-2024 budget preview, KFS, utility rates & city fees, 2024 CIB/2025-2028 CIP
 - Budget study session with directors (August 29)
 - Adopt preliminary tax levy (September 12)
 - Truth in Taxation meeting (November 28)
 - Certify final levy, adopt Budget & CIB/CIP (November 28)
- 

Budget Update

- Labor force participation shows sign of improvement but still far from pre-pandemic levels
- Cost of living increase at 3%, average step increases 5%, market adjustments for negotiated contracts, hiring at higher steps
- Personnel is approximately 70% of GF
- No new debt issue planned in 2024
- Continued inflationary increases for some goods and services-fuel surcharges added

Budget Update

- 2024 LGA reflects significant increase of \$1.35M
- Licenses and permits revenue slowing down ~ 175K decrease compared to 2023.
- Rolling stock/equip/tech levy at \$1,208,000 - increased by 39% (to provide funding for increased costs/upgrades for rolling stock and technology)
- EDA levy at \$599,364-increased by 3.5%
- Proposed levy increase is 5.55%

2024 Proposed Preliminary Levy

- 2024 Proposed Levy is \$28,270,904
 - Increase of 5.55% over the 2023 Levy
- General Fund Levy \$22,349,997
- Equipment Levy \$ 1,208,000
- EDA Levy \$ 599,364
 - Base Levy Total \$24,157,361
- Debt Service Levy \$ 4,113,543
 - Total 2024 Levy \$28,270,904 (5.55%)

Gross Tax Levy History

- 2024 - \$28,270,904 - 5.55% increase
- 2023 - \$26,784,954 - 5.81% increase*
- 2022 - \$25,106,307 - 5.76% increase*
- 2021 - \$23,934,632 - 5.50% increase
- 2020 - \$22,687,471 - 4.90% increase
- 2019 - \$21,626,692 - 4.87% increase
- 2018 - \$20,621,911 - 6.11% increase

* Actual levy increase updated to reflect actual fiscal disparity aid received for the year.

2024 Proposed Levy Impact on the Average Home

2023

308,000 average home > City Tax \$1,566

2024

\$318,000 average home > City Tax \$1,664

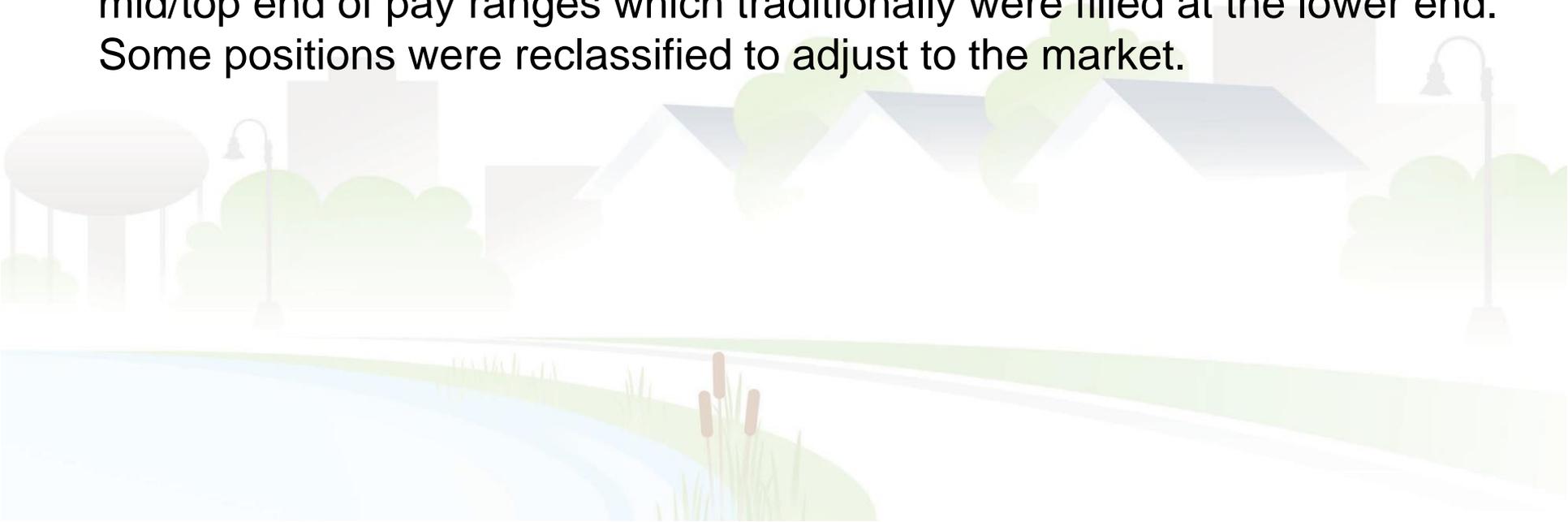
\$98 increase or \$8.19 per month in City property tax



Staffing Update –

One Staff Addition in 2023 Revised, none in 2024 Proposed

- One HR Specialist for the Administration was added to sufficiently support all City employees based on an increase workload and focus on strategic initiatives. The position will be funded from General Fund.
- Due to the tight labor market many positions are being hired at the mid/top end of pay ranges which traditionally were filled at the lower end. Some positions were reclassified to adjust to the market.



2024 Proposed General Fund Budget

- The 2024 proposed General Fund Budget of \$30,807,869 is a:
 - 6.44% increase from the 2023 adopted budget
 - 6.71% increase from the 2023 revised budget



General Fund Revenues

	<u>2023A</u>	<u>2023R</u>	<u>2024P</u>
Taxes	21,026,215	21,026,215	22,128,710
Licenses and Permits	1,314,495	1,089,810	1,140,000
Intergovernmental	3,544,943	3,553,898	4,885,289
Charges for services	1,907,618	1,862,051	2,017,920
Fines and forfeitures	220,000	200,000	200,000
Miscellaneous	70,580	72,200	75,860
Transfers	859,920	1,067,575	360,090
	<u>28,943,771</u>	<u>28,871,749</u>	<u>30,807,869</u>

General Fund Expenditures

	<u>2023A</u>	<u>2023R</u>	<u>2024P</u>
Legislative/Executive	1,148,816	1,114,258	1,265,780
Administrative	1,000,852	991,326	1,263,940
Finance	886,071	1,006,135	912,618
Public Safety	11,332,622	11,095,903	11,817,565
Fire	5,335,950	5,397,355	5,552,889
Community Development	1,781,890	1,753,100	1,849,550
Public Works	4,946,140	5,006,701	5,182,090
Recreational Services	2,251,430	2,246,971	2,326,037
Transfer Out	260,000	260,000	330,000
Comp Study Estimates	-	-	307,400
	<u>28,943,771</u>	<u>28,871,749</u>	<u>30,807,869</u>

General Fund Expenditure History

<u>Year</u>		<u>\$\$</u>	<u>%</u>
2018	22,726,930	-	-
2019	23,893,617	1,166,687	5.13%
2020	25,730,463	1,836,847	7.69%
2021	26,530,517	800,054	3.11%
2022	27,443,767	913,250	3.44%
2023R	28,871,749	1,427,982	5.20%
2024P	30,807,869	1,936,120	6.71%

Expenditure reported is based of actuals for 2018 to 2022, adopted budget for 2023 and proposed budget for 2024.

City Reserves

Long-term Capital Reserves

2022 Balance	\$8,663,000
2023 Budgeted Transfers#	<u>(\$1,115,000)</u>
2023 Projected Balance*	\$7,547,900
2024 Budgeted Transfers #	<u>(\$600,000)</u>
2024 Projected Balance*	<u>\$6,947,900</u>

** Projections do not include any investment returns*

Transfers to Ice Arena, Pool and Central Garage

City policy also requires the General Fund to have reserves not less than 40% of current year expenditures. The balance was \$10,990,000 at FYE 2022. This is a separate reserve from above.

Forecast of City Reserves

- Plan to use Capital Reserves over seven years to bring the negative reserves in the Ice Arena (-\$2,992,098) and the Pool (-\$147,803) into the black by 2028
- Reduce transfers to GF to zero in 2024 (LGA increase funds previous budget gap)
- General Fund goal of 40% of Total Expenditures may require future transfers from Capital Reserves to General Fund
- Will need to evaluate future higher increases to the Rolling Stock, Equipment and IT levy to cover increased costs and continue technology updates

Long-Term Financial Forecast with Sales Tax

	2022 Actual	2023	2023 Revised	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE												
1 GENERAL PROPERTY TAX	16,692,392	17,337,953	17,337,953	18,403,565	19,524,007	20,668,766	21,941,410	23,255,086	23,861,172	24,863,696	25,903,982	26,983,407
2 FISCAL DISPARITIES	3,359,759	3,688,262	3,688,262	3,725,145	3,762,396	3,800,020	3,838,020	3,876,400	3,915,164	3,954,316	3,993,859	4,033,798
3 LICENSES & PERMITS	1,379,973	1,314,495	1,089,810	1,140,000	1,174,200	1,209,426	1,245,709	1,283,080	1,321,572	1,361,220	1,402,056	1,444,118
4 LOCAL GOVERNMENT AID	2,010,927	2,038,711	2,038,711	3,392,552	3,460,403	3,159,611	2,852,803	2,539,859	2,590,657	2,642,470	2,695,319	2,749,225
5 OTHER INTERGOVERNMENTAL	1,408,647	1,506,232	1,515,187	1,492,737	1,537,519	1,583,645	1,631,154	1,680,089	1,730,491	1,782,406	1,835,878	1,890,955
6 CHARGES FOR SERVICES	1,969,877	1,907,618	1,862,051	2,017,920	2,078,458	2,140,811	2,205,036	2,271,187	2,339,322	2,409,502	2,481,787	2,556,241
7 FINES & FORFEITS	175,056	220,000	200,000	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354
8 MISC. REVENUE	181,987	70,580	72,200	75,860	78,136	80,480	82,894	85,381	87,943	90,581	93,298	96,097
9 OTHER FINANCING SOURCES	722,817	859,920	1,067,575	360,090	370,893	382,019	393,480	405,284	417,443	429,966	442,865	456,151
10 TOTAL REVENUE	27,901,435	28,943,771	28,871,749	30,807,869	32,192,011	33,236,958	34,409,052	35,621,469	36,495,620	37,772,967	39,095,020	40,463,346
EXPENDITURES												
11 LEGISLATIVE/EXECUTIVE	990,581	1,148,816	1,114,258	1,265,780	1,328,308	1,374,798	1,422,916	1,472,718	1,524,264	1,577,613	1,632,829	1,689,978
12 ADMINISTRATIVE	959,929	1,000,852	991,326	1,263,940	1,330,842	1,377,422	1,425,631	1,475,528	1,527,172	1,580,623	1,635,945	1,693,203
13 FINANCE	1,005,251	886,071	1,006,135	912,618	956,235	989,703	1,024,342	1,060,194	1,097,301	1,135,707	1,175,456	1,216,597
14 PUBLIC SAFETY	10,437,293	11,332,622	11,095,903	11,817,565	12,443,826	12,879,360	13,330,138	13,796,692	14,279,577	14,779,362	15,296,639	15,832,022
15 FIRE	5,314,355	5,335,950	5,397,355	5,552,889	5,850,842	6,055,621	6,267,568	6,486,933	6,713,976	6,948,965	7,192,178	7,443,905
16 COMMUNITY DEVELOPMENT	1,616,827	1,781,890	1,753,100	1,849,550	1,947,115	2,015,264	2,085,799	2,158,802	2,234,360	2,312,562	2,393,502	2,477,275
17 PUBLIC WORKS	4,884,218	4,946,140	5,006,701	5,182,090	5,445,448	5,636,039	5,833,300	6,037,465	6,248,777	6,467,484	6,693,846	6,928,130
18 RECREATION SERVICES	1,985,326	2,251,430	2,246,971	2,326,037	2,448,959	2,534,672	2,623,386	2,715,205	2,810,237	2,908,595	3,010,396	3,115,760
19 COMPENSATION STUDY ESTIMATES	-	-	-	307,400	88,187	-	-	-	-	-	-	-
20 TRANSFER OUT	282,194	260,000	260,000	330,000	352,250	374,079	395,972	417,931	59,958	62,057	64,229	66,477
22 TOTAL EXPENDITURES	27,475,974	28,943,771	28,871,749	30,807,869	32,192,011	33,236,958	34,409,052	35,621,469	36,495,620	37,772,967	39,095,020	40,463,346
23 REVENUE OVER (UNDER) EXPENDITURES	425,461	-	-	-	-	-	-	-	-	-	-	-
LEVY CALCULATION												
24 General Fund Tax Levy	20,052,150	21,026,215	-	22,128,710	23,286,403	24,468,786	25,779,430	27,131,486	27,776,337	28,818,012	29,897,842	31,017,205
25 Reserve for Uncollectable	200,459	210,262	-	221,287	232,864	244,688	257,794	271,315	277,763	288,180	298,978	310,172
26 Total General Fund Tax Levy	20,252,609	21,236,477	-	22,349,997	23,519,267	24,713,474	26,037,224	27,402,801	28,054,100	29,106,192	30,196,820	31,327,377
26 Existing Debt	3,668,535	3,672,620	-	4,113,543	4,101,375	4,110,046	4,121,139	3,605,541	2,473,449	2,490,093	2,487,906	2,475,481
27 New Debt	-	427,980	0	0	0	0	377,140	577,747	1,596,827	1,596,827	2,158,526	2,158,526
28 EDA	556,823	579,096	-	599,364	626,335	648,257	670,946	694,429	718,734	743,890	769,926	796,874
29 Rolling Stock, Equipment, and IT Levy	835,000	868,400	-	1,208,000	1,262,360	1,306,543	1,352,272	1,399,601	1,448,587	1,499,288	1,551,763	1,606,074
30 TOTAL CERTIFIED LEVY	25,312,967	26,784,573	-	28,270,904	29,509,338	30,778,319	32,558,722	33,680,119	34,291,698	35,436,290	37,164,940	38,364,331
31 Levy % Increase	5.76%	5.81%	-	5.55%	4.38%	4.30%	5.78%	3.44%	1.82%	3.34%	4.88%	3.23%
32 TOTAL CERTIFIED LEVY	25,127,419	26,784,573	-	28,270,904	29,509,338	30,778,319	32,558,722	33,680,119	34,291,698	35,436,290	37,164,940	38,364,331
33 LESS FISCAL DISPARITIES	(3,359,759)	(3,688,262)	-	(3,725,145)	(3,762,396)	(3,800,020)	(3,838,020)	(3,876,400)	(3,915,164)	(3,954,316)	(3,993,859)	(4,033,798)
34 NET LOCAL LEVY TO TAXPAYERS	21,767,660	23,096,311	-	24,545,759	25,746,942	26,978,299	28,720,701	29,803,718	30,376,533	31,481,974	33,171,081	34,330,534
35 NET TAX CAPACITY	39,253,300	45,429,412	-	46,883,153	49,227,311	54,278,676	56,992,610	59,842,241	62,834,353	65,976,070	69,274,874	72,738,618
36 TAX RATE ON TAX CAPACITY	55.454%	50.840%	-	52.355%	52.302%	49.703%	50.394%	49.804%	48.344%	47.717%	47.883%	47.197%
37 TAX RATE % CHANGE	-0.60%	-8.32%	-	2.98%	-0.10%	-4.97%	1.39%	-1.17%	-2.93%	-1.30%	0.35%	-1.43%
38 City Taxes on Avg Household	1,475	1,566	-	1,664	1,746	1,742	1,854	1,924	1,961	2,033	2,142	2,216
39 Percentage tax increase in average home	7.49%	6.15%	-	6.28%	4.89%	-0.22%	6.46%	3.77%	1.92%	3.64%	5.37%	3.50%
40 Existing Tax Base Inflation Estimate (resident)	7.90%	15.94%	-	3.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
41 Total Net Tax Capacity Increase (Decrease)	4.49%	13.90%	-	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
42 Estimated Average Home Market Value	266,000	308,000	-	317,856	333,749	350,436	367,958	386,356	405,674	425,957	447,255	469,618

Long-Term Financial Forecast with WLNC & Vets Park Debt

	2022 Actual	2023	2023 Revised	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE												
1 GENERAL PROPERTY TAX	16,692,392	17,337,953	17,337,953	18,403,565	19,524,007	20,668,766	21,941,410	23,255,086	23,861,172	24,863,696	25,903,982	26,983,407
2 FISCAL DISPARITIES	3,359,759	3,688,262	3,688,262	3,725,145	3,762,396	3,800,020	3,838,020	3,876,400	3,915,164	3,954,316	3,993,859	4,033,798
3 LICENSES & PERMITS	1,379,973	1,314,495	1,089,810	1,140,000	1,174,200	1,209,426	1,245,709	1,283,080	1,321,572	1,361,220	1,402,056	1,444,118
4 LOCAL GOVERNMENT AID	2,010,927	2,038,711	2,038,711	3,392,552	3,460,403	3,159,611	2,852,803	2,539,859	2,590,657	2,642,470	2,695,319	2,749,225
5 OTHER INTERGOVERNMENTAL	1,408,647	1,506,232	1,515,187	1,492,737	1,537,519	1,583,645	1,631,154	1,680,089	1,730,491	1,782,406	1,835,878	1,890,955
6 CHARGES FOR SERVICES	1,969,877	1,907,618	1,862,051	2,017,920	2,078,458	2,140,811	2,205,036	2,271,187	2,339,322	2,409,502	2,481,787	2,556,241
7 FINES & FORFEITS	175,056	220,000	200,000	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354
8 MISC. REVENUE	181,987	70,580	72,200	75,860	78,136	80,480	82,894	85,381	87,943	90,581	93,298	96,097
9 OTHER FINANCING SOURCES	722,817	859,920	1,067,575	360,090	370,893	382,019	393,480	405,284	417,443	429,966	442,865	456,151
10 TOTAL REVENUE	27,901,435	28,943,771	28,871,749	30,807,869	32,192,011	33,236,958	34,409,052	35,621,469	36,495,620	37,772,967	39,095,020	40,463,346
EXPENDITURES												
11 LEGISLATIVE/EXECUTIVE	990,581	1,148,816	1,114,258	1,265,780	1,328,308	1,374,798	1,422,916	1,472,718	1,524,264	1,577,613	1,632,829	1,689,978
12 ADMINISTRATIVE	959,929	1,000,852	991,326	1,263,940	1,330,842	1,377,422	1,425,631	1,475,528	1,527,172	1,580,623	1,635,945	1,693,203
13 FINANCE	1,005,251	886,071	1,006,135	912,618	956,235	989,703	1,024,342	1,060,194	1,097,301	1,135,707	1,175,456	1,216,597
14 PUBLIC SAFETY	10,437,293	11,332,622	11,095,903	11,817,565	12,443,826	12,879,360	13,330,138	13,796,692	14,279,577	14,779,362	15,296,639	15,832,022
15 FIRE	5,314,355	5,335,950	5,397,355	5,552,889	5,850,842	6,055,621	6,267,568	6,486,933	6,713,976	6,948,965	7,192,178	7,443,905
16 COMMUNITY DEVELOPMENT	1,616,827	1,781,890	1,753,100	1,849,550	1,947,115	2,015,264	2,085,799	2,158,802	2,234,360	2,312,562	2,393,502	2,477,275
17 PUBLIC WORKS	4,884,218	4,946,140	5,006,701	5,182,090	5,445,448	5,636,039	5,833,300	6,037,465	6,248,777	6,467,484	6,693,846	6,928,130
18 RECREATION SERVICES	1,985,326	2,251,430	2,246,971	2,326,037	2,448,959	2,534,672	2,623,386	2,715,205	2,810,237	2,908,595	3,010,396	3,115,760
19 COMPENSATION STUDY ESTIMATES	-	-	-	307,400	88,187	-	-	-	-	-	-	-
20 TRANSFER OUT	282,194	260,000	260,000	330,000	352,250	374,079	395,972	417,931	59,958	62,057	64,229	66,477
22 TOTAL EXPENDITURES	27,475,974	28,943,771	28,871,749	30,807,869	32,192,011	33,236,958	34,409,052	35,621,469	36,495,620	37,772,967	39,095,020	40,463,346
23 REVENUE OVER (UNDER) EXPENDITURES	425,461	-	-	-	-	-	-	-	-	-	-	-
LEVY CALCULATION												
24 General Fund Tax Levy	20,052,150	21,026,215	-	22,128,710	23,286,403	24,468,786	25,779,430	27,131,486	27,776,337	28,818,012	29,897,842	31,017,205
25 Reserve for Uncollectable	200,459	210,262	-	221,287	232,864	244,688	257,794	271,315	277,763	288,180	298,978	310,172
26 Total General Fund Tax Levy	20,252,609	21,236,477	-	22,349,997	23,519,267	24,713,474	26,037,224	27,402,801	28,054,100	29,106,192	30,196,820	31,327,377
26 Existing Debt	3,668,535	3,672,620	-	4,113,543	4,101,375	4,110,046	4,121,139	3,605,541	2,473,449	2,490,093	2,487,906	2,475,481
27 New Debt	-	427,980	-	0	-	1,044,758	1,421,899	1,622,505	2,641,586	2,641,586	3,203,284	3,203,284
28 EDA	556,823	579,096	-	599,364	626,335	648,257	670,946	694,429	718,734	743,890	769,926	796,874
29 Rolling Stock, Equipment, and IT Levy	835,000	868,400	-	1,208,000	1,262,360	1,306,543	1,352,272	1,399,601	1,448,587	1,499,288	1,551,763	1,606,074
30 TOTAL CERTIFIED LEVY	25,312,967	26,784,573	-	28,270,904	29,509,338	31,823,078	33,603,480	34,724,877	35,336,456	36,481,049	38,209,699	39,409,090
31 Levy % Increase	5.76%	5.81%	-	5.55%	4.38%	7.84%	5.59%	3.34%	1.76%	3.24%	4.74%	3.14%
32 TOTAL CERTIFIED LEVY	25,127,419	26,784,573	-	28,270,904	29,509,338	31,823,078	33,603,480	34,724,877	35,336,456	36,481,049	38,209,699	39,409,090
33 LESS FISCAL DISPARITIES	(3,359,759)	(3,688,262)	-	(3,725,145)	(3,762,396)	(3,800,020)	(3,838,020)	(3,876,400)	(3,915,164)	(3,954,316)	(3,993,859)	(4,033,798)
34 NET LOCAL LEVY TO TAXPAYERS	21,767,660	23,096,311	-	24,545,759	25,746,942	28,023,058	29,765,460	30,848,477	31,421,292	32,526,733	34,215,840	35,375,292
35 NET TAX CAPACITY	39,253,300	45,429,412	-	46,883,153	49,227,311	54,278,676	56,992,610	59,842,241	62,834,353	65,976,070	69,274,874	72,738,618
36 TAX RATE ON TAX CAPACITY	55.454%	50.840%	-	52.355%	52.302%	51.628%	52.227%	51.550%	50.007%	49.301%	49.391%	48.633%
37 TAX RATE % CHANGE	-0.60%	-8.32%	-	2.98%	-0.10%	-1.29%	1.16%	-1.30%	-2.99%	-1.41%	0.18%	-1.53%
38 City Taxes on Avg Household	1,475	1,566	-	1,664	1,746	1,809	1,922	1,992	2,029	2,100	2,209	2,284
39 Percentage tax increase in average home	7.49%	6.15%	-	6.28%	4.89%	3.65%	6.22%	3.64%	1.86%	3.52%	5.19%	3.39%
40 Existing Tax Base Inflation Estimate (residents)	7.90%	15.94%	-	3.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
41 Total Net Tax Capacity Increase (Decrease)	4.49%	13.90%	-	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
42 Estimated Average Home Market Value	266,000	308,000	-	317,856	333,749	350,436	367,958	386,356	405,674	425,957	447,255	469,618



2024 City Fee Update



Fee Increases

- Generally
 - Fee changes reflect increased personnel, administration, and/or equipment expenses
- Park Reservation Fees
 - Simplified payment structure
 - increase to cover staffing/utility costs and due to high demand on weekends
- Building Permit fees
 - Fees updated to align with MN Statutes

Fee Increases continued:

- Support Services (Sections 5, 6, 7, 8, 9, and 11)
 - Fee increased 3% to reflect increased personnel, administration, and/or equipment expenses
 - Kennel fees were raised to offset contract increases
 - Malt liquor temp event and Liquor temp event increased \$15 per license to reflect staff time
 - Increase in Nuisance Conduct and Vacant Registration Fee due to increasing number of violations.

Full details in the Appendix D Resolution



2024 Utility Update



Utility Fund - Water

2024 Proposed Rates (5% increase)

Residential Water Rates			
2023		2024	
0-15,000 gals	\$4.61	0-15,000 gals	\$4.84
15,001-25,000 gals	\$5.53	15,001-25,000 gals	\$5.81
Over 25,000 gals	\$6.66	Over 25,000 gals	\$6.99
Fixed Quarterly Service Charge			
2023		\$10.00	
2024 proposed		\$10.00	

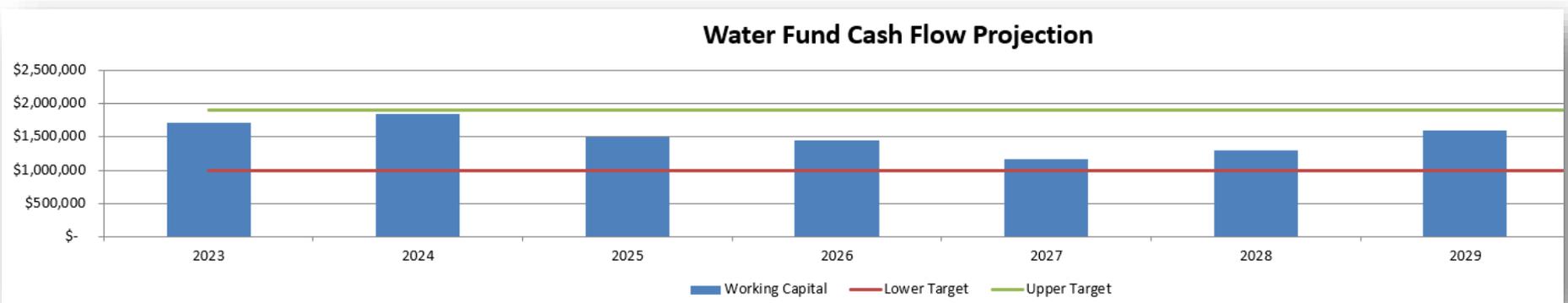
60% of accounts
25% of accounts
15% of accounts

\$2,129,152 Cash Balance (May 2023)

\$1.9M Target

Water Fund Outlook

5% increase in 2024; projecting 5% increases through 2029



2023 Water Rates Comparison

MINNEAPOLIS/ST. PAUL METRO AREA



■ Water Fixed Charge
■ Water Volume Charge Based on 6,000 Gallons
 * All or Partial Purchase
 ~ Surface Water
 # Ground Water
 ~ Both Surface Water and Ground Water

MINNEAPOLIS/ST. PAUL METRO AREA GROUND WATER SYSTEMS REPORTING SOFTENING



■ Water Fixed Charge
■ Water Volume Charge Based on 6,000 Gallons
 + Lime Softening

TYPICAL MONTHLY RESIDENTIAL WATER UTILITY BILL (\$)

TYPICAL MONTHLY RESIDENTIAL WATER UTILITY BILL (\$)

Utility Fund - Wastewater

2024 Proposed Rate (2% increase)

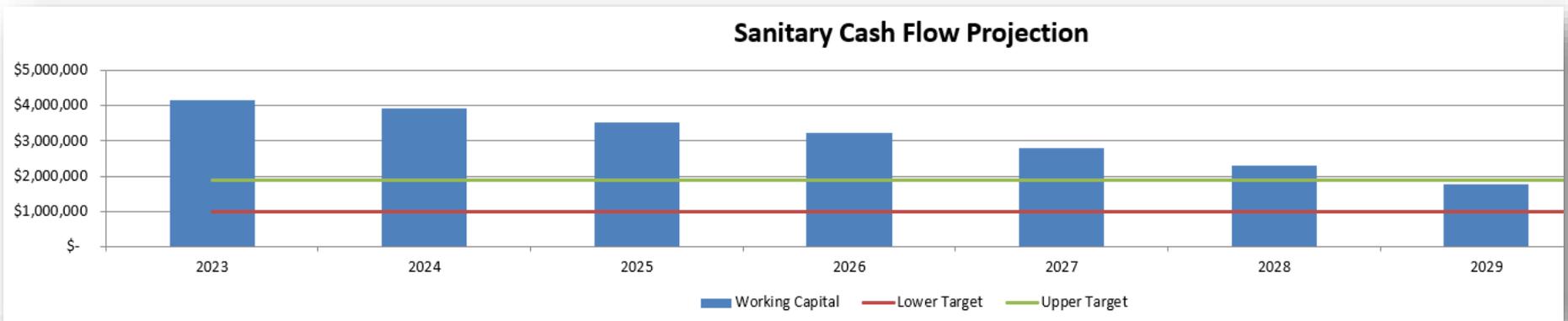
Sanitary Sewer Rates	
2023	2024
\$6.15 per 1,000 gals	\$6.27 per 1,000 gals

\$3,916,883 – Cash Balance (May 2023)

\$1.6M Target

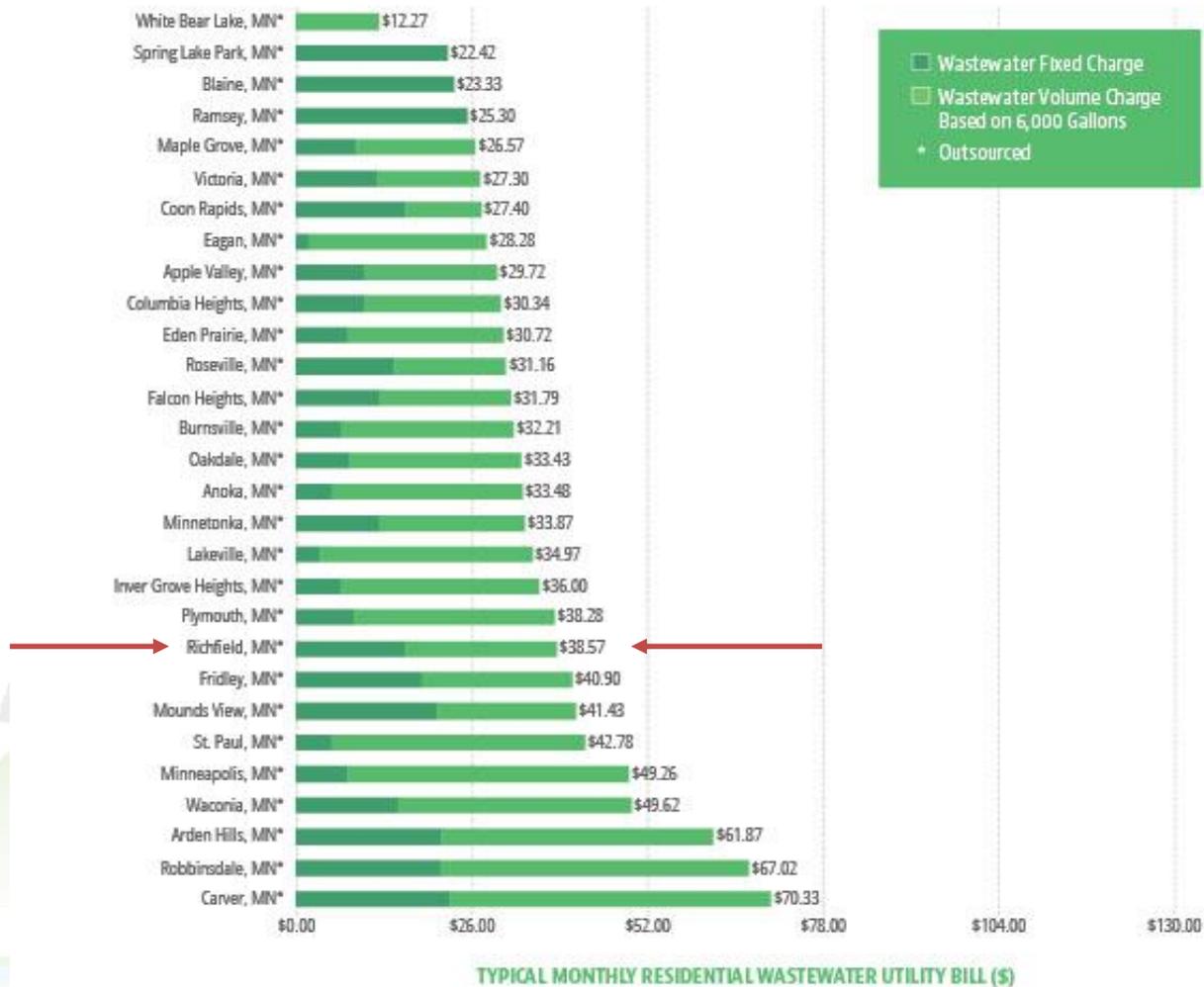
Wastewater Fund Outlook

2% increase in 2024; projecting 2% increases through 2029



2023 Wastewater Rates Comparison

MINNEAPOLIS/ST. PAUL METRO
(Served by Metropolitan Council Environmental Services)



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Utility Fund - Stormwater

2024 Proposed Flat Rate (3% increase)

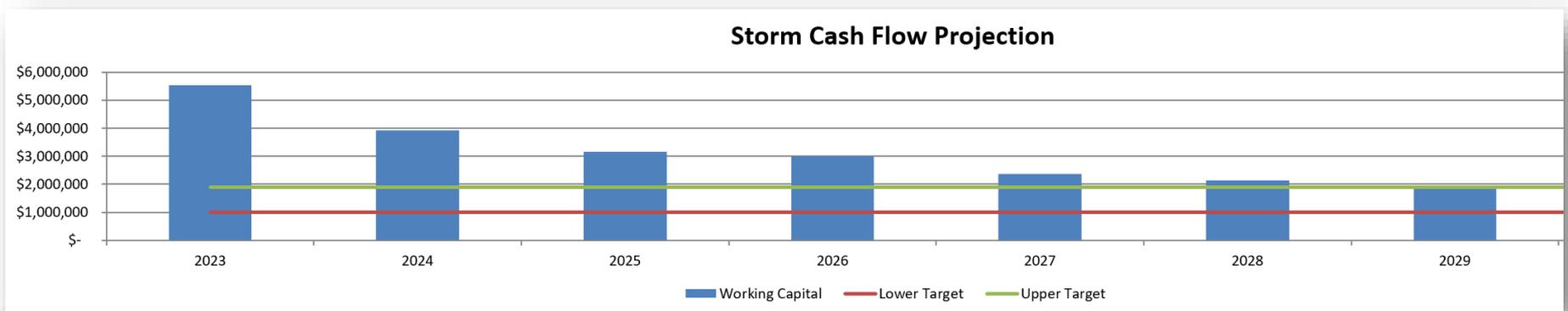
Stormwater Rates	
2023	2024
\$22.89 per quarter	\$23.58 per quarter

\$6,191,367 – Cash Balance (May 2023)

\$1.9M Target

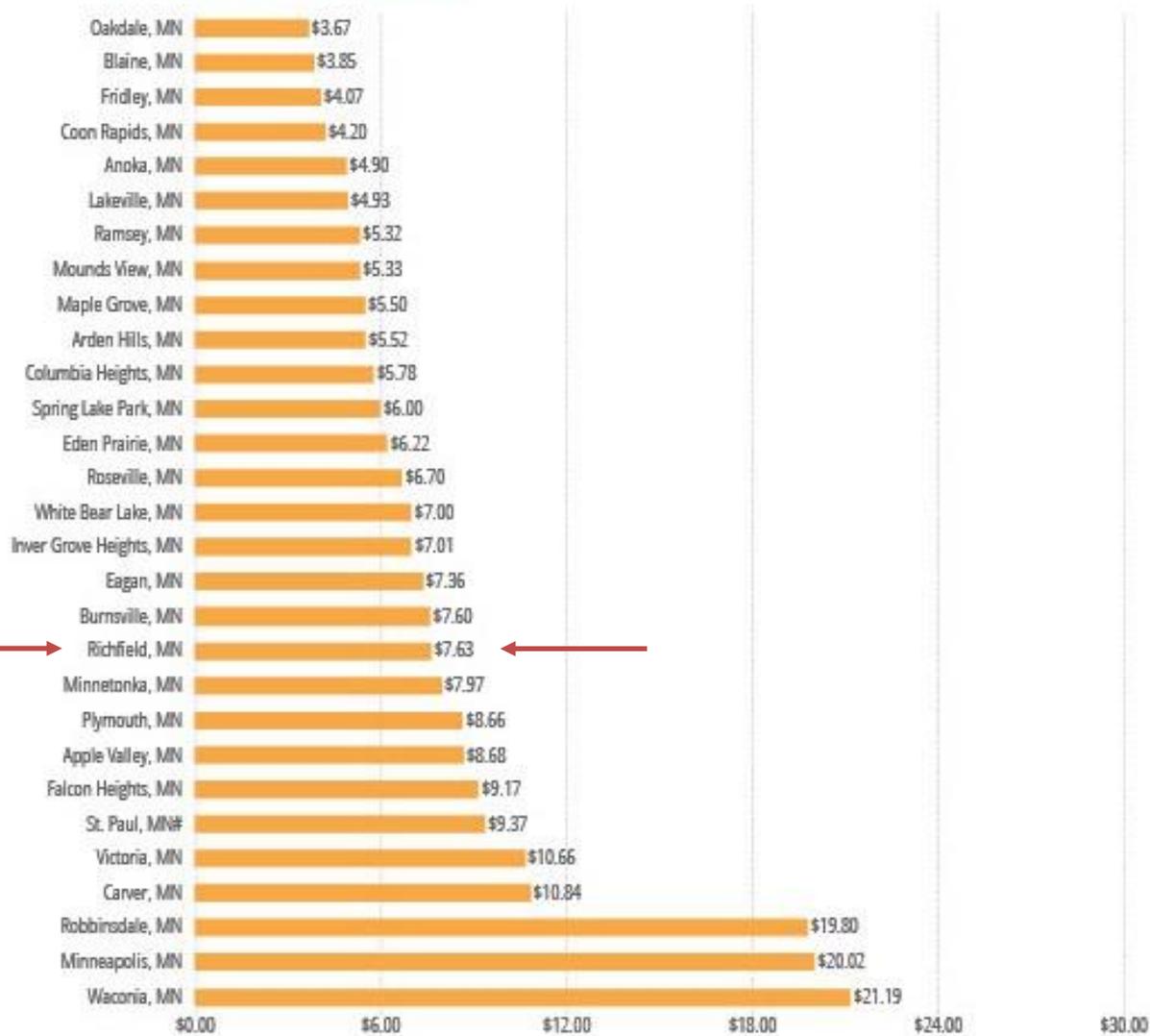
Stormwater Fund Outlook

Projecting 5% increases through 2029



2023 Stormwater Rates Comparison

MINNEAPOLIS/ST. PAUL METRO



TYPICAL MONTHLY RESIDENTIAL STORMWATER UTILITY BILL (\$)

Street Light User Fee

Category	Property Count	Current Fee	Proposed Fee A	% Increase	Proposed Fee B	% Increase
Residential	9,948	\$5.77	\$6.50	12.65%	\$7.21	25%
Commercial	455	\$28.85/acre	\$32.44/acre	12.44%	\$36.06/acre	25%
Schools/churches	32	\$7.21/acre	\$8.11/acre	12.48%	\$9.02/acre	25%
Total Est. Revenue		\$301,702	\$339,873		\$376,997	
Additional Revenue			\$38,171		\$75,295	

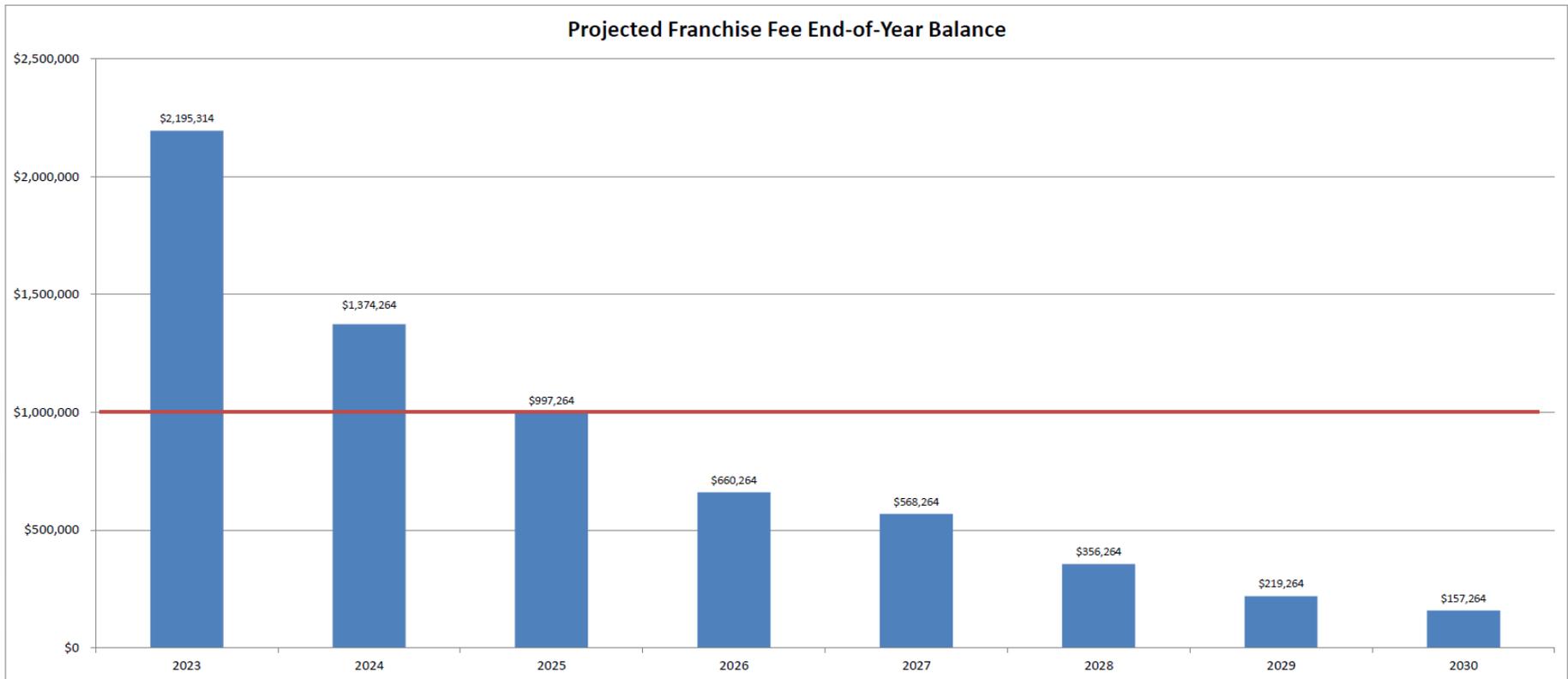
Proposed Fee A – would cover electricity costs for streetlights.

Proposed Fee B – would cover electricity costs for streetlights and allow for a modest LED upgrade program.



Franchise Fees

Current Annual Collection \$1,890,000



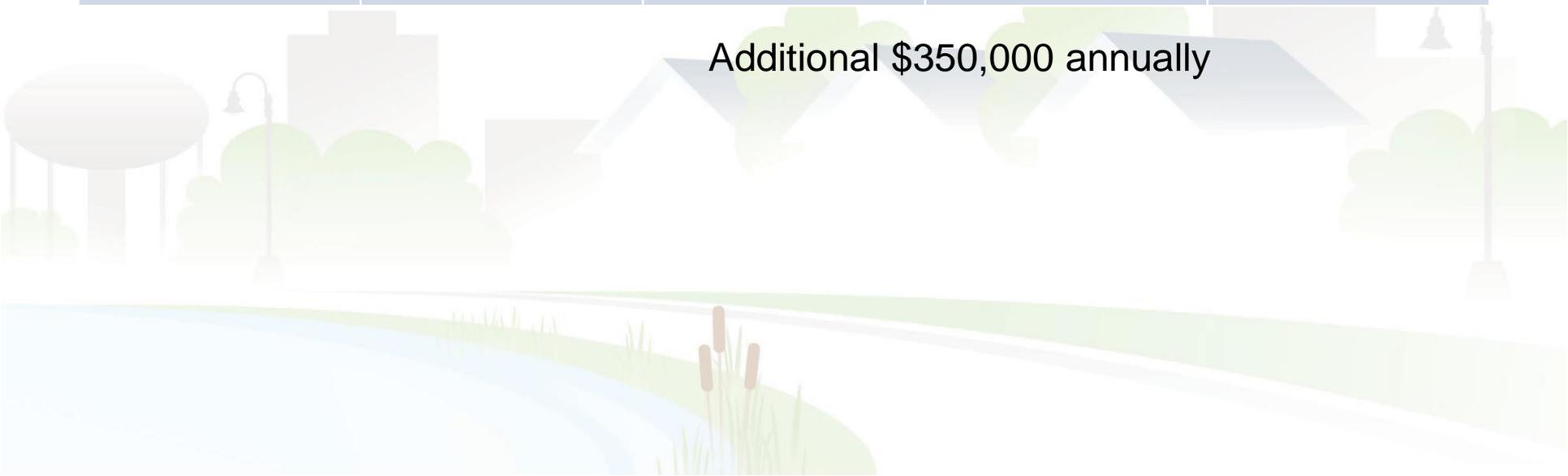
Franchise Fees Uses

	2023	2024	2025	2026	2027	2028
Debt Service	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Pavement Management	\$652,000	\$697,000	\$617,000	\$737,000	\$657,000	\$777,000
Active Transportation	\$90,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Traffic Calming	----	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Forestry & Ash Removal	\$145,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Sustainability Transfer	----	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
ADA Improvements	----	\$100,000	\$200,000	\$200,000	\$200,000	\$200,000
Special Projects						
Speed Limit Implementation		\$150,000				
Richfield Parkway RRFBs		\$75,000				
77 th Street Railroad Crossing		\$440,000				
PW Facility			\$325,000			

Xcel Franchise Fees

Class	Meter Count	Current Fee	Proposed Fee	% Increase
Residential	16,583	\$4.10	\$5.10	24%
Small C&I – Non-Demand	745	\$12.50	\$17.00	36%
Small C&I – Demand	350	\$30.00	\$41.25	38%
Large C&I	70	\$185.00	\$263.00	42%
Annual Collection		\$1,209,033	\$1,561,029	

Additional \$350,000 annually



CenterPoint Franchise Fees

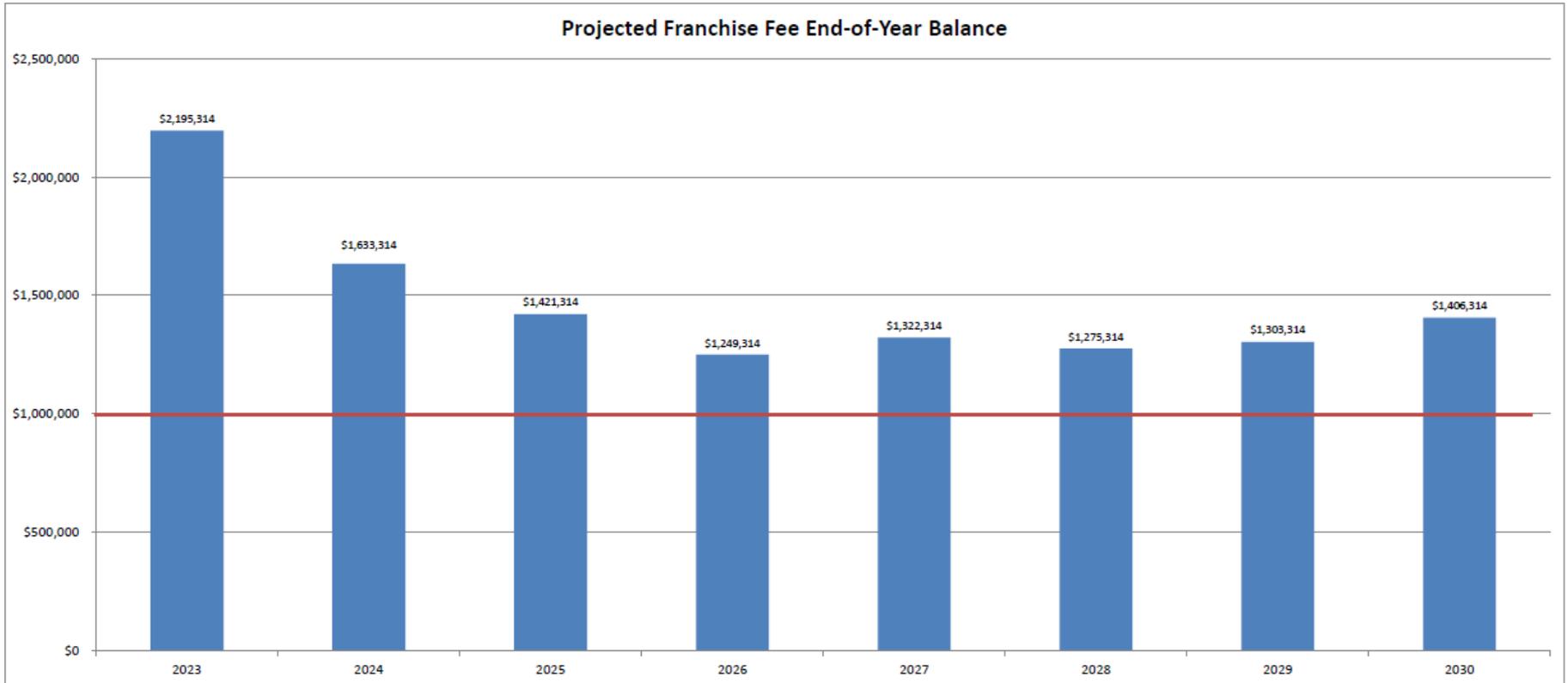
Class	Meter Count	Current Fee	Proposed Fee	% Increase
Residential	11,153	\$4.10	\$5.10	24%
Com - A	210	\$4.10	\$5.10	24%
Com/Ind-B	239	\$12.50	\$16.50	32%
C, SVDF-A, SVDF-B	321	\$30	\$41.15	37%
Annual Collection		\$710,469	\$901,126	

Additional \$190,000 annually

Total Franchise Fees Revenue of approximately \$2,430,000 annually (\$540K increase).

Estimated calculations show an approximate increase per household from \$98.40 per year to \$122.40 per year.

Franchise Fee Outlook





2024 Capital Improvement Budget
2025-2028 Capital Improvement Plan

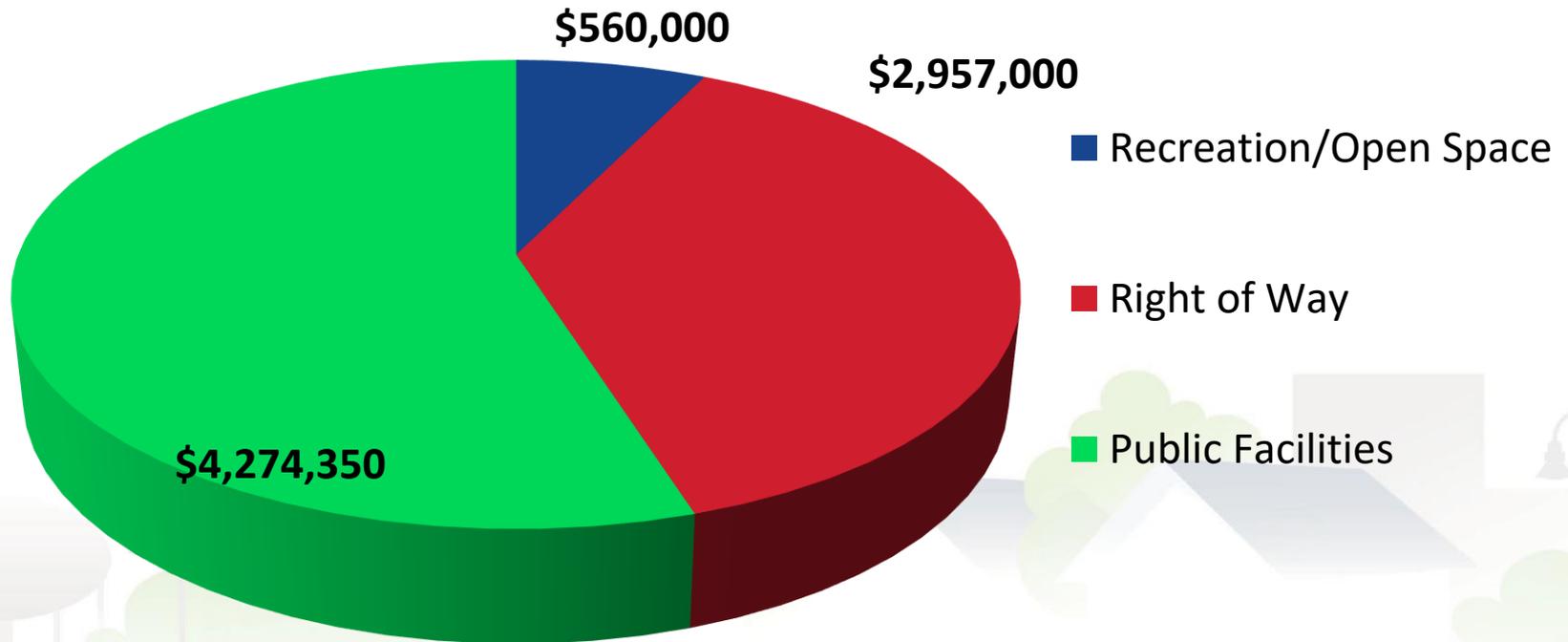


CAPITAL BUDGETING PROCESS

- Preliminary report is generated by the City Manager and Finance Director and presented to Planning Commission.
- The Planning Commission reviews the projects based on the following consideration:
 - The proposed project's conformance to the Comprehensive Plan.
- CIB/CIP as recommended by the Planning Commission is returned to the City Manager and Finance Director and included in the annual budget.

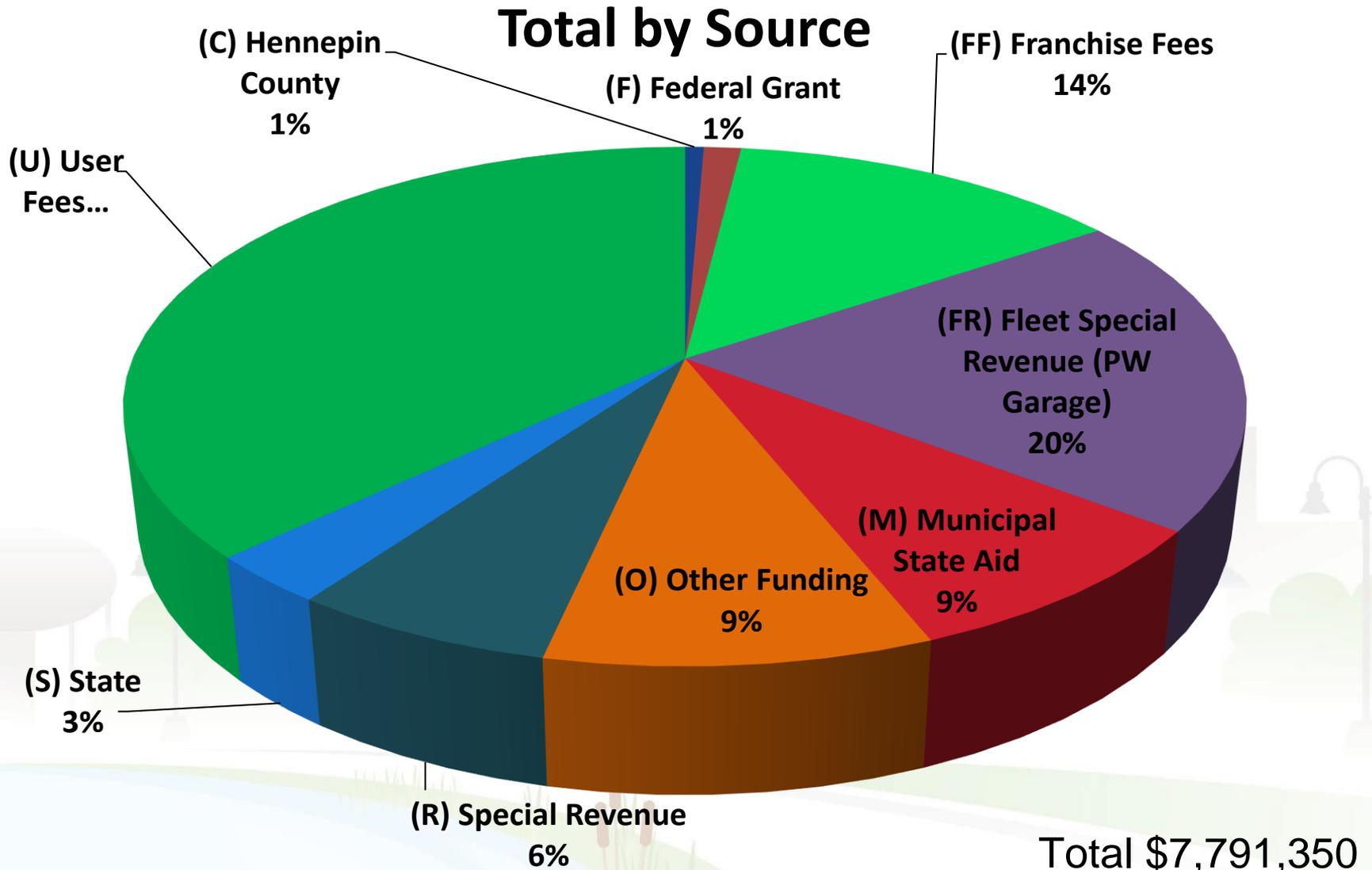
2024 Capital Improvement Budget

Capital Project Totals

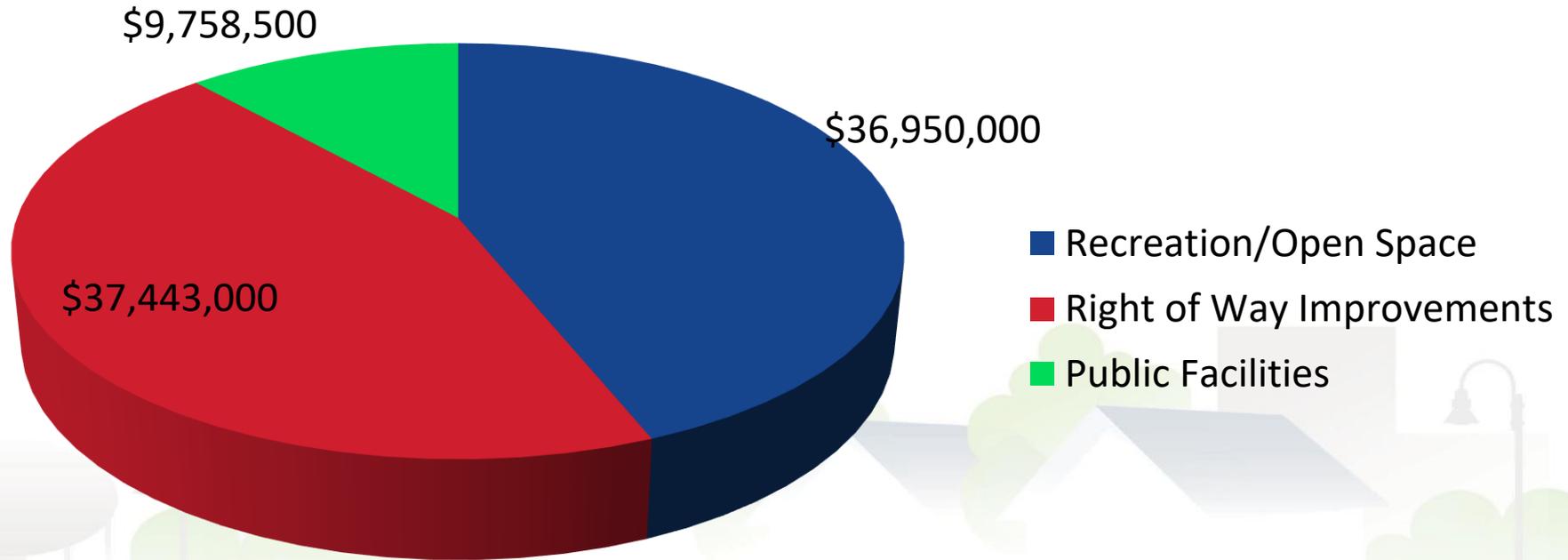


Total 2024 Capital Improvement Budget \$7,791,350

Total 2024 CIB Funding by Source

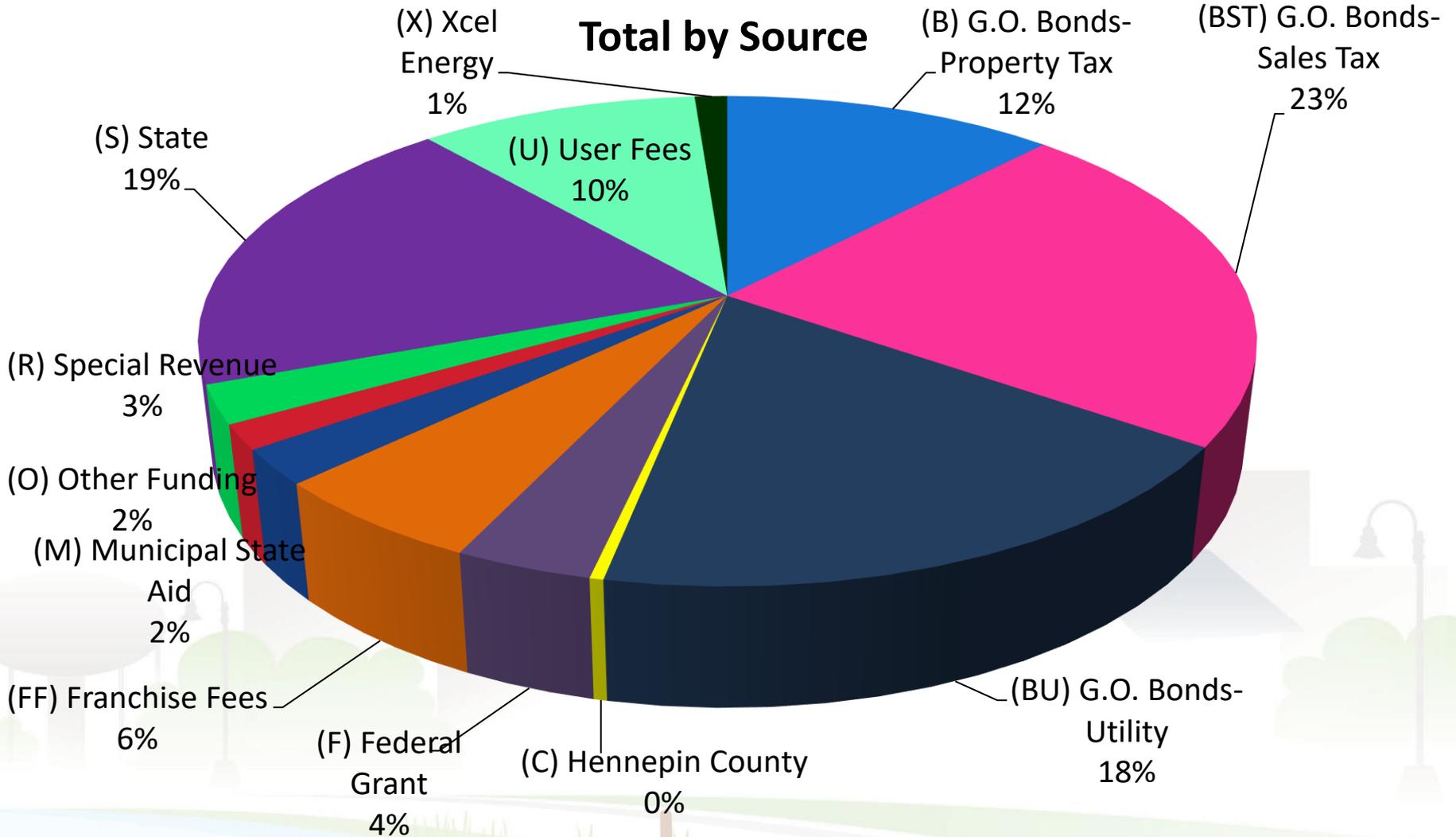


Total 2025-2028 Capital Improvement Plan Project Totals



Total 2025-2028 Capital Improvement Plan \$84,151,500

Total 2025-2028 Capital Improvement Plan

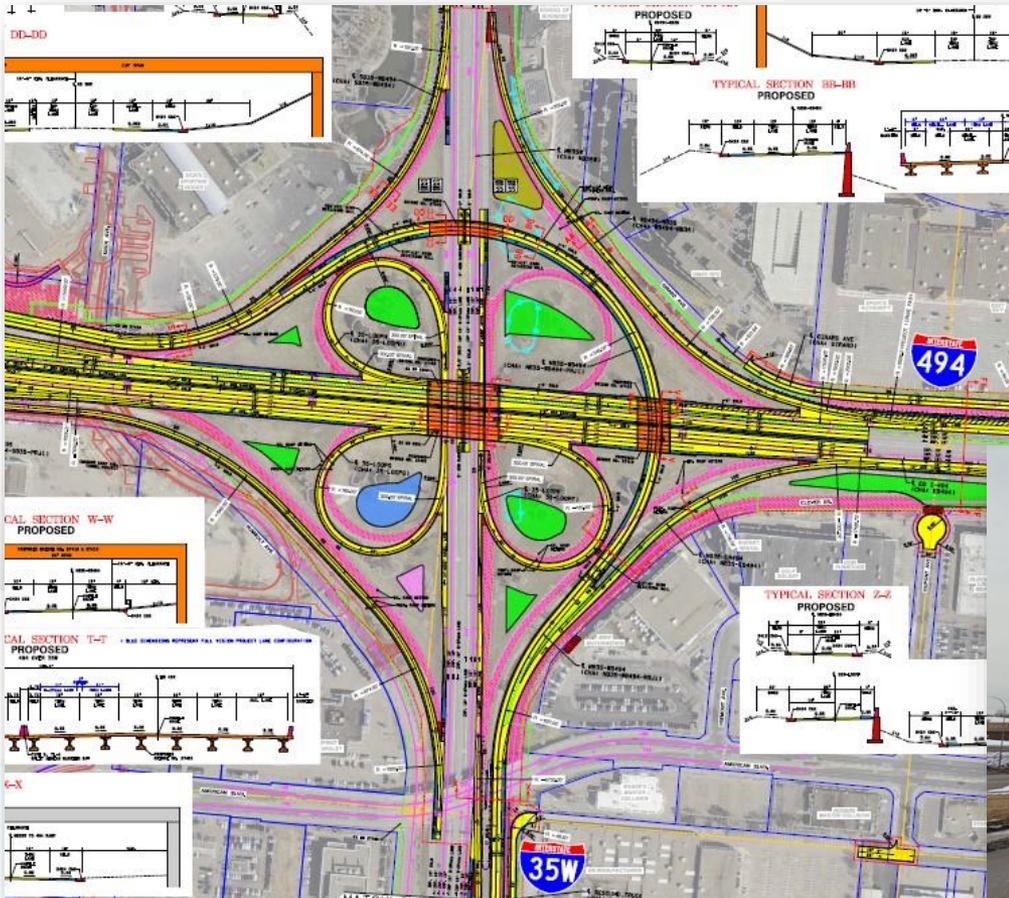


Total \$84,151,500

Public Works: Capital Projects

I-494 Project 1 (MnDOT & local agencies)

- Spring 2023 through fall 2026



Public Works: Capital Projects

Nicollet Ave Reconstruction (Henn. Co. & Richfield)

- Construction expected 2026 - 2027



Public Works: Capital Projects

- 2026 – Emergency Watermain Interconnect
- 2027 – 69th Street Reconstruction
- 2028 – 76th St W Reconstruction



Recreation Services: Capital Projects

New Wood Lake Nature Center Building Project Estimate: \$25M



New Wood Lake Nature Center Building



- \$12M State of Minnesota
- \$ 3M Federal Grant
- \$10M Bonds

Veterans Park Complex

Project Estimate- \$9M

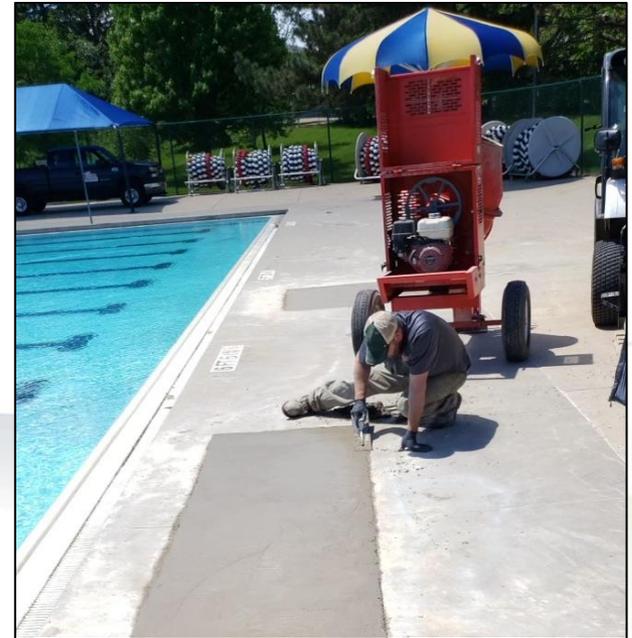
- Pool Liner Replacement
- New Roof on Rink 2
- Arena Building Improvements
- Resurface Trails
- Pavilion Improvements
- Band Shell Irrigation
- Accessible Wildlife Viewing Platform
- Cohesive Park Signage
- Invasive Species Management



Outdoor Pool Improvements

Replacement of original pool liner most urgent (1961)

Project Estimate: \$3.6M



Donaldson Park Building and Playground

Project Estimate- \$1.1M building
\$130,000 playground



Recreation Services: Capital Projects

Other Projects and Facility Needs

FACILITY	PROJECT	EST COST
ICE ARENA	Locker Room Flooring	\$170,000
OUTDOOR POOL		
COMMUNITY CENTER	Water Issues/flooding	\$75,000
	ADA Upgrades	\$10,000
	Roof and gutters	\$250,000
WOOD LAKE NAT CTR		
TAFT PARK	Field Improvements	\$1.2M
	Ballfield Upgrades	\$200,000
	Bathroom Building	\$400,000 TRPD
CHRISTIAN PARK	Tennis Courts	\$185,000
	Bathroom Building	\$400,000
WASHINGTON PARK	Building Removal	\$150,000
	Picnic Pavilion	\$300,000
ROOSEVELT PARK	Parking Lot (mill and overlay)	\$85,000
HEREDIA PARK	Playground	\$110,000
NICOLLET PARK	Building Removal	\$150,000
	Tennis Court Evaluation	TBD
GARFIELD PARK	Sidewalk Connection	\$15,000
RFLD LAKE PARK	Playground	\$110,000

FACILITY	PROJECT	EST COST
APPLE BLSSM PARK		
SHERIDAN PARK	Tennis Court Evaluation	TBD
LITTLE BOB'S PARK	Playground	\$110,000
MADISON PARK	Tennis Court Evaluation	TBD
	Building Removal	TBD
FREMONT PARK	Storage Removal	TBD
DONALDSON PARK	Parking Lots	\$130,000
	Tennis/Pickleball Courts	\$800,000
VETS PARK	Trail Improvements/Resurfacing	\$1M
LINCOLN PARK		
ADAMS HILL PARK	Playground	\$110,000
JEFFERSON PARK	Building Renovations	TBD
	Tennis Courts	TBD
FAIRWOOD PARK	Tennis Court Evaluation	TBD
	Playground	\$110,000
MONROE PARK		
AUGSBURG PARK	Tennis Courts	\$800,000