

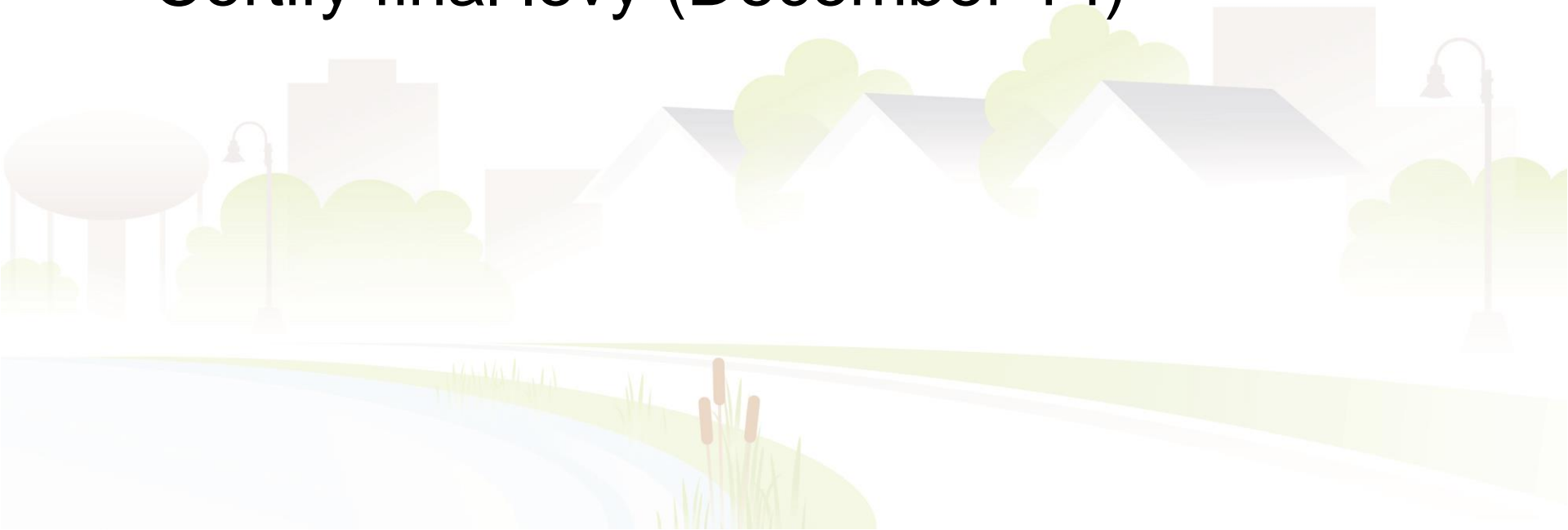


# 2022 budget and tax levy



# Timetable and key events

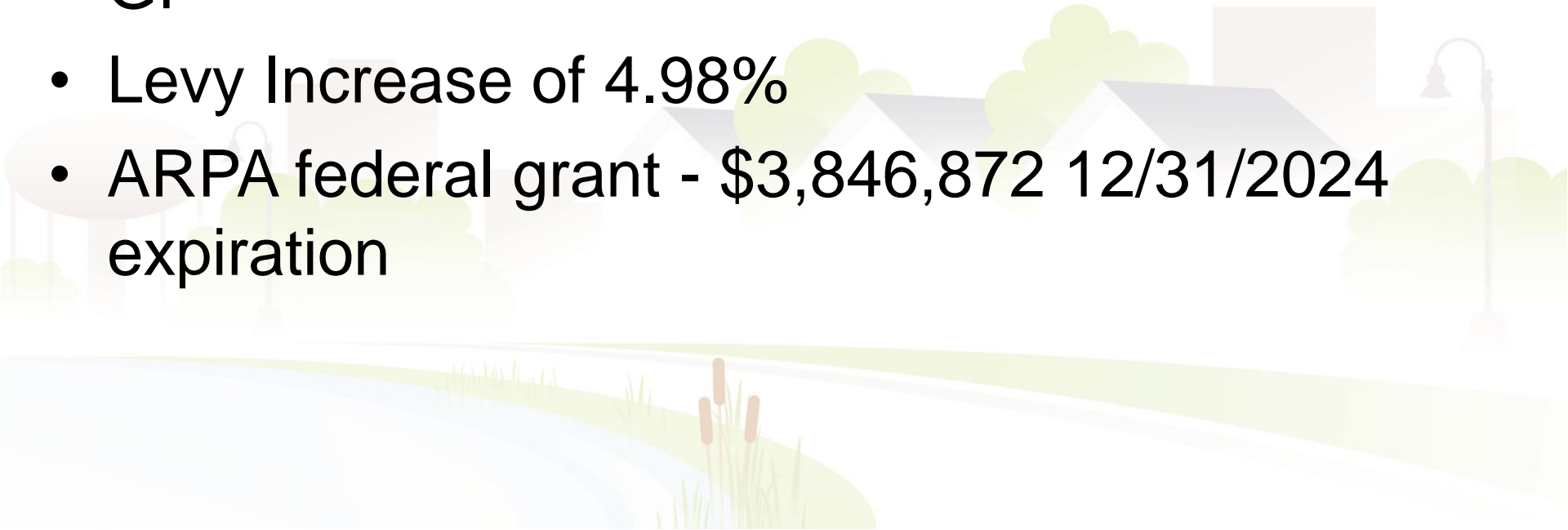
- Budget study session (August 24)
- Adopt preliminary levy (September 14)
- Truth in taxation hearing (November 30)
- Certify final levy (December 14)



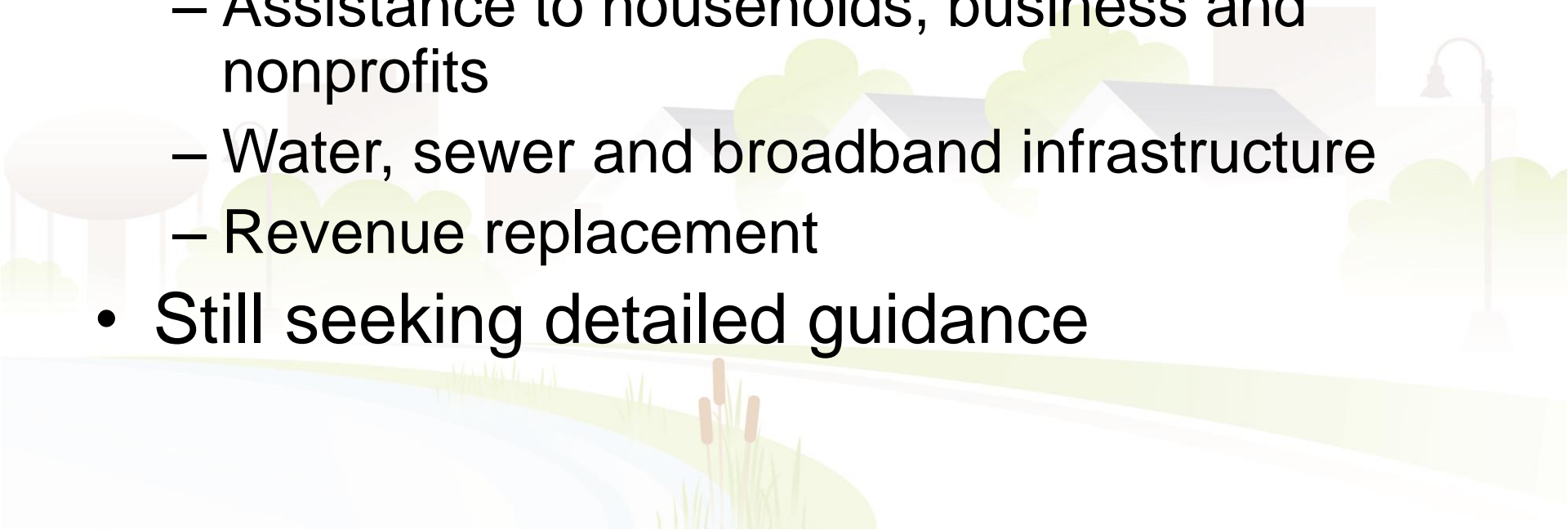
# Key issues for 2021/2022

- GF Personnel costs 71% – COLA 3% Steps 3-8%
- GF Revenue decreases Charges for Services, Court Fines, Misc. Revenues, Transfers In
- Intoxicating license fee decrease .07% tax levy increase
- Public Safety SRO program discontinued – \$83,000 less to GF
- Building Permit revenue – How long will it last?

# Key issues for 2021/2022

- 2022 budgeted revenues - \$2,010,920 of LGA
  - Future LGA – TIF Impact 2026
  - City Reserves – Finite source
  - Property taxes – primary funding source 71% of GF
  - Levy Increase of 4.98%
  - ARPA federal grant - \$3,846,872 12/31/2024 expiration
- 

# American Rescue Plan Act \$

- City received \$1.9M, will receive the 2<sup>nd</sup> payment after 1 year
  - Eligible costs include:
    - Public health and public safety costs
    - Assistance to households, business and nonprofits
    - Water, sewer and broadband infrastructure
    - Revenue replacement
  - Still seeking detailed guidance
- 

# History of Local Government Aid (LGA)

	<u>Certified</u>	<u>Change</u>
2013 -	\$1,218,346	\$0
2014 -	\$1,937,907	\$719,561
2015 -	\$2,053,363	\$115,456
2016 -	\$2,084,057	\$ 30,694
2017 -	\$2,094,443	\$ 10,386
2018 -	\$2,229,280	\$137,837
2019 -	\$2,235,643	\$ 6,363
2020 -	\$2,366,046	\$130,403
2021 -	\$2,001,680	<b>\$(364,366)</b>
2022 -	\$2,010,927	\$ 9,247

# Capital Fund Reserves

- Reserves built over time with LGA funds to provide stability
- Added about \$1.2M in 2020 due to excess GF revenues and reduced spending
- Past uses of Funds
  - Buy down Portland Avenue Bonds – 2015 \$800,000
  - Buy down Lyndale Avenue Bonds – 2019 \$1,000,000
  - Multiple funding of GF purchases with payback
- **Current Balance \$6,662,631**

# Capital Fund Reserves

- Estimated 2021 Y/E Balance \$5.9M
- Estimated 2021 Ice Arena & Pool Y/E Balances **\$3.3M** and **\$.8M**
- Planned uses of Funds
  - Multiple funding of GF purchases with payback
  - Budgeted Transfer to GF – 2021 \$481,000
  - Budgeted Transfer to GF – 2022 \$460,600
  - Annual cash flow transfers to Central Garage & IT Funds \$235,000
  - Annual transfers to Ice Arena & Pool \$400,000 starting in 2021
- Projected 2028 balance \$3.2M



# 2022 proposed gross levy

- 2022 Gross Levy is \$25,127,419
  - Increase of 4.98% over the 2021 Levy
- General Fund Levy \$20,067,061
- Equipment Levy \$ 835,000
- EDA Levy \$ 556,823
  - Base Levy Total \$21,458,884
- Debt Service Levy \$ 3,668,535
  - Total 2022 Levy \$25,127,419 – 4.98%

# Gross tax levy history

- 2022 - \$25,127,419 - 4.98% 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
- 2017 - \$19,434,690 - 3.26% increase
- 2016 - \$18,820,576 - 2.91% increase
- 2015 - \$18,288,524 - 1.53% increase
- 2014 - \$18,012,303 - 1.51% increase
- 2013 - \$17,744,951 - 4.50% increase

# 2022 proposed General Fund budget

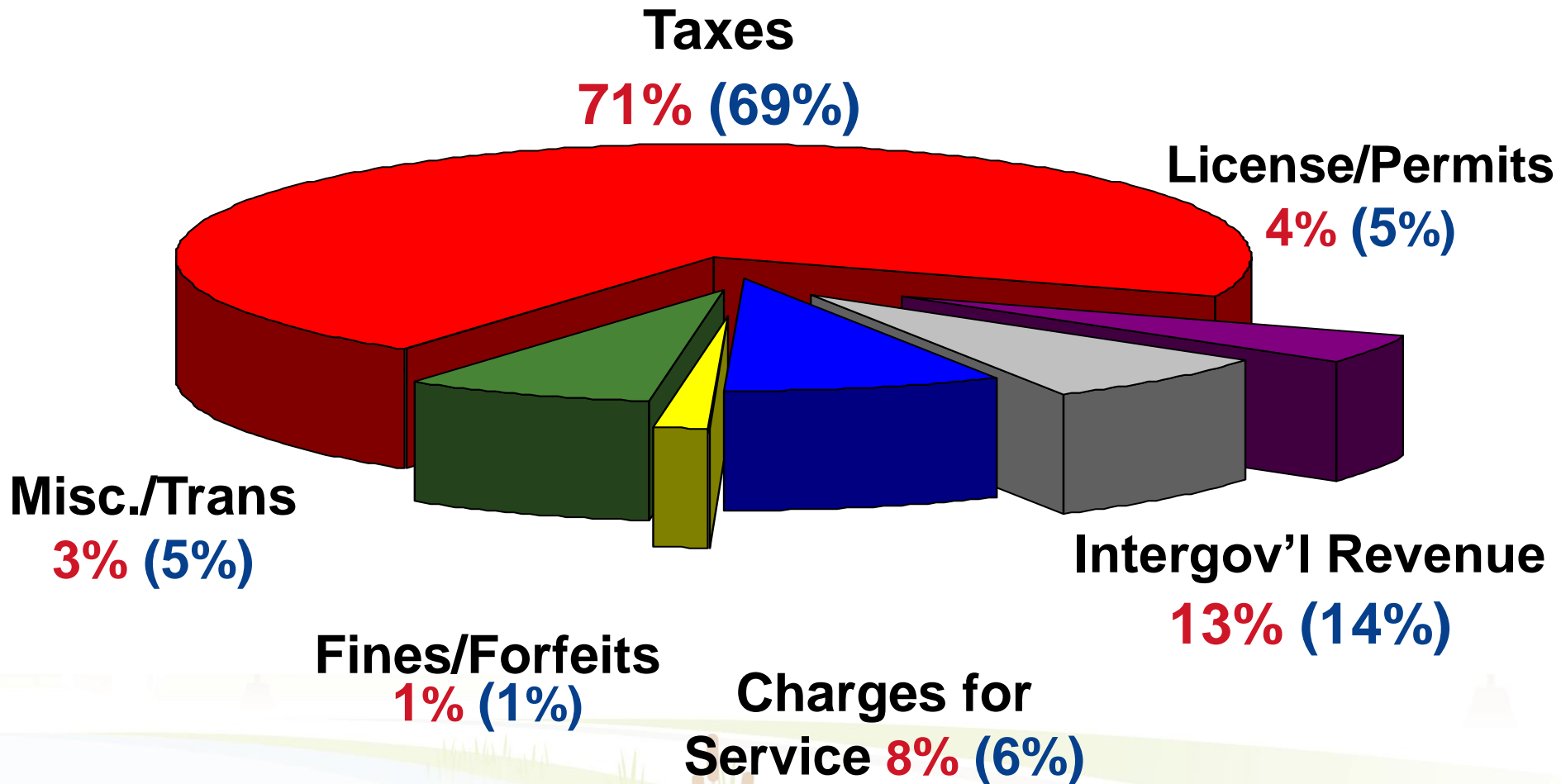
- The 2022 proposed General Fund of \$27,868,330 is a(n):
  - 4.24% increase from the 2021 adopted budget
  - 3.63% increase from the 2021 revised budget



# General Fund revenues

	<u>2021A</u>	<u>2021R</u>	<u>2022P</u>
<b>Taxes</b>	\$18,621,410	\$18,621,410	\$19,866,390
<b>Licenses and permits</b>	1,065,000	1,233,000	1,207,500
<b>Intergovernmental</b>	3,374,170	3,704,350	3,461,170
<b>Charges for services</b>	2,222,900	1,698,790	2,147,260
<b>Fines and forfeitures</b>	280,000	222,000	220,000
<b>Miscellaneous</b>	75,100	70,100	67,830
<b>Transfers</b>	1,096,090	1,343,770	898,180
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	\$26,734,670	\$26,893,420	\$27,868,330

# 2022 (2021) proposed budget General Fund revenues



# General Fund expenditures

	<u>2021A</u>	<u>2021R</u>	<u>2022P</u>
<b>Legislative/Executive</b>	\$ 1,044,630	\$ 1,008,250	\$ 1,113,300
<b>Administrative Services</b>	908,360	836,330	973,080
<b>Finance</b>	743,050	755,000	769,760
<b>Public Safety</b>	10,447,080	10,484,860	10,926,920
<b>Fire</b>	4,995,480	4,995,320	5,130,730
<b>Community Development</b>	1,697,080	1,800,220	1,802,120
<b>Public Works</b>	4,590,640	4,713,500	4,751,100
<b>Recreation Services</b>	2,078,350	2,069,940	2,151,320
<b>Transfers</b>	230,000	230,000	250,000
	<hr/> <b>\$26,734,670</b>	<hr/> <b>\$26,893,420</b>	<hr/> <b>\$27,868,330</b>

# 2022 (2021) proposed budget General Fund expenditures

## Public Safety

39% (39%)

## Fire

18%  
(19%)

## Transfers

1% (1%)

3% (3%)

## Admin. Service

4% (4%)

3% (3%)  
Finance Leg/Exc.

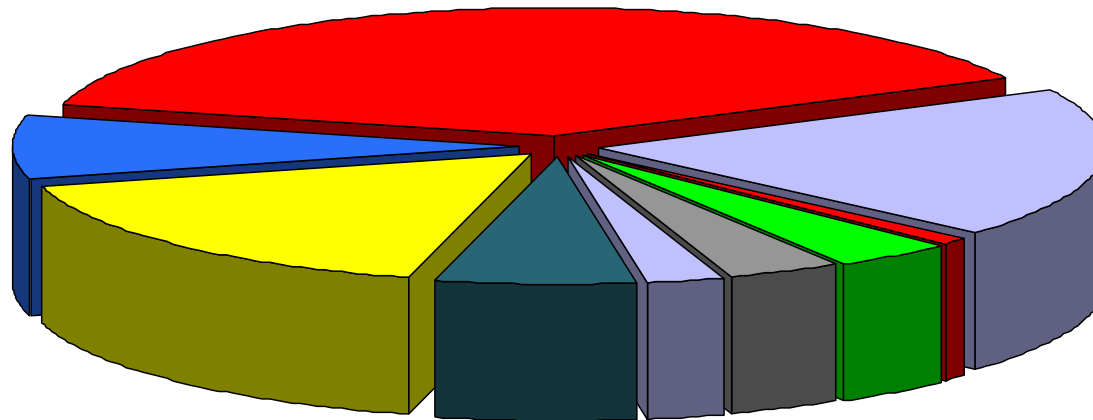
6% (7%)  
Comm.  
Devel.

17% (17%)

## Public Works

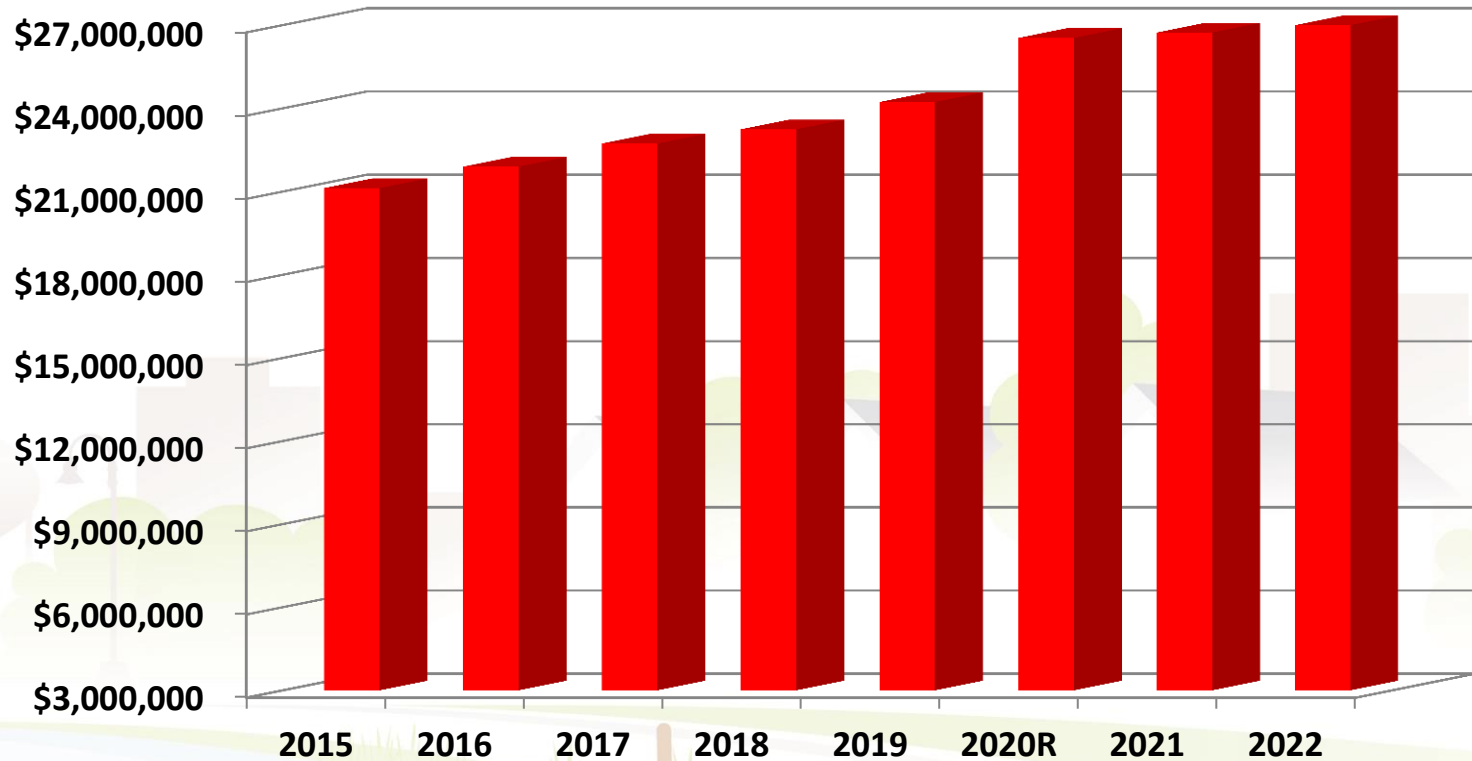
8% (7%)

## Recreation



# General Fund history

Average increase of 3.65%

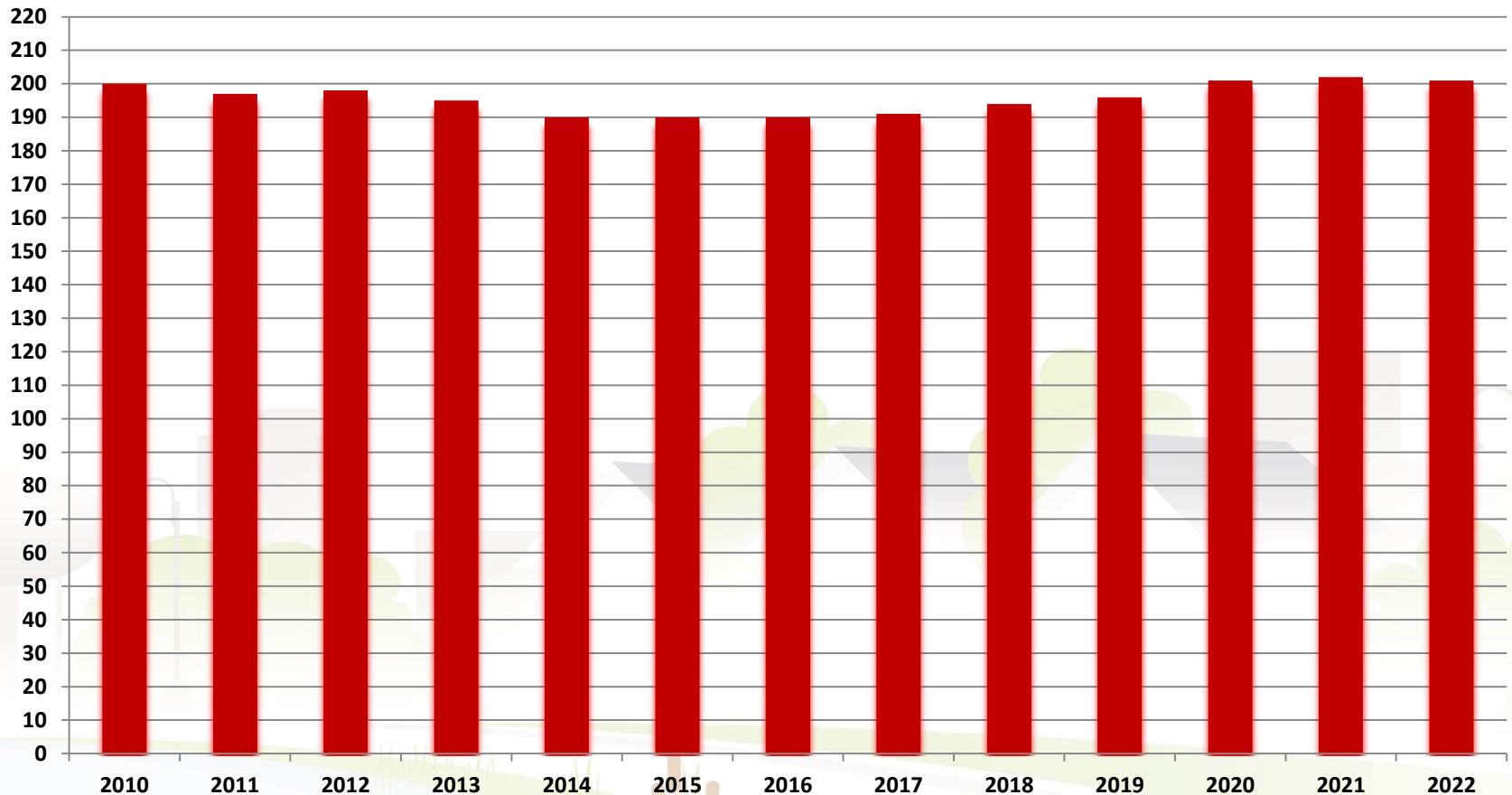




# Full-time regular personnel

## 201 Full-Time Budgeted Positions

- 1 new position in 2021



# 2022 proposed levy estimated impact

- **\$275,000 property**
  - City Portion - Tax 2021 \$1,487.17
  - City Portion - Tax 2022 \$1,512.14
  - City Portion - Tax 2022 (7.4% emv) \$1,624.04
    - **\$24.97 increase** or **\$2.08** per month in City property tax portion with no change in market value
    - **\$136.87 increase** or **\$11.41** per month in City property tax portion with estimated 7.4% increase in market value

# 2022 proposed budget

- 2022 Capital Improvement Budget
  - Total 2022 budget - \$26,575,000
  - Major projects include:
    - 77<sup>th</sup> Street Underpass
    - 65<sup>th</sup> Street Reconstruction
    - Utility Projects
    - Park Play Equipment Replacements



# 2022 proposed budget

- Rolling Stock/Equipment - Purchases 2022
  - Total Cost of Equipment > \$1,000,000
  - General Tax Levy only \$835,000
  - Central Garage and IT Cash Flow Transfers In
  - Fire Pumper Chassis
  - 5 Hybrid SUV Police Squads
  - Arbor Pro Lift Bucket
  - Computer Network Infrastructure & Equipment