TRUTH IN TAXATION

Public Informational Hearing on the 2023 Budget and Tax Levy

December 6, 2022
6 p.m.

AGENDA

- Budget Process to Date
- General Truth in Taxation Hearing Information
- How do we compare?
- Property Taxation 101
- Tax Levy and General Fund Budget
- Enterprise Fund Budgets
- Capital Improvement and Debt Management Plan
- Conclusion/Summary
- Next Steps

BUDGET PROCESS TO DATE

- City Council and Staff have held 4 public work sessions over the past 7 months. The first work session was held on May 24 with the last one taking place on November 22

- The City Council adopted the preliminary budget and tax levy in September

- Truth in Taxation Notices were mailed to all City property owners last month

BUDGET PROCESS TO DATE

Truth in Taxation Hearing Purpose

The main purpose of the Truth in Taxation hearing is to enhance the public participation in the property tax system by allowing a public forum to:

- Discuss the Budget
- Discuss the Proposed Tax Levy
- Explain the Increases
- Hear Public Comments and Questions on the Budget and Tax Levy

BUDGET PROCESS TO DATE

- **TONIGHT** – Truth-in-Taxation Hearing
- **TUESDAY, DEC. 13:** Continuation of Truth-in-Taxation Hearing (*if necessary*)
- **TUESDAY, DEC. 27:** Final Budget and Tax Levy will be Adopted by the City Council

General Truth in Taxation Hearing Information

DATA SOURCE:

CITY OF HUTCHINSON
UNLESS NOTED

A REMINDER

Tonight we discuss the City's share of your total 2023 proposed tax bill, not property valuations

As a taxpayer, at what time of the year do I do what?

NOVEMBER
- I receive the Notice of Proposed Taxes for next year.

DECEMBER
- Attend meetings about the proposed budget and tax levy to express concerns about the amount of tax I will pay.

MARCH
- I receive my property Tax Statement (based on last year's valuation notice).

OCTOBER
- I pay this year's second half of property taxes.

APRIL
- I receive the Notice of Valuation for next year's taxes.
- I can talk to the assessor about next year's value.
- Tax court petitions must be filed by the end of this month to appeal last year's estimated market value.

SUMMER
- The county, city or town, school district and other taxing districts decide on budgets and what portion must come from the property tax levy.

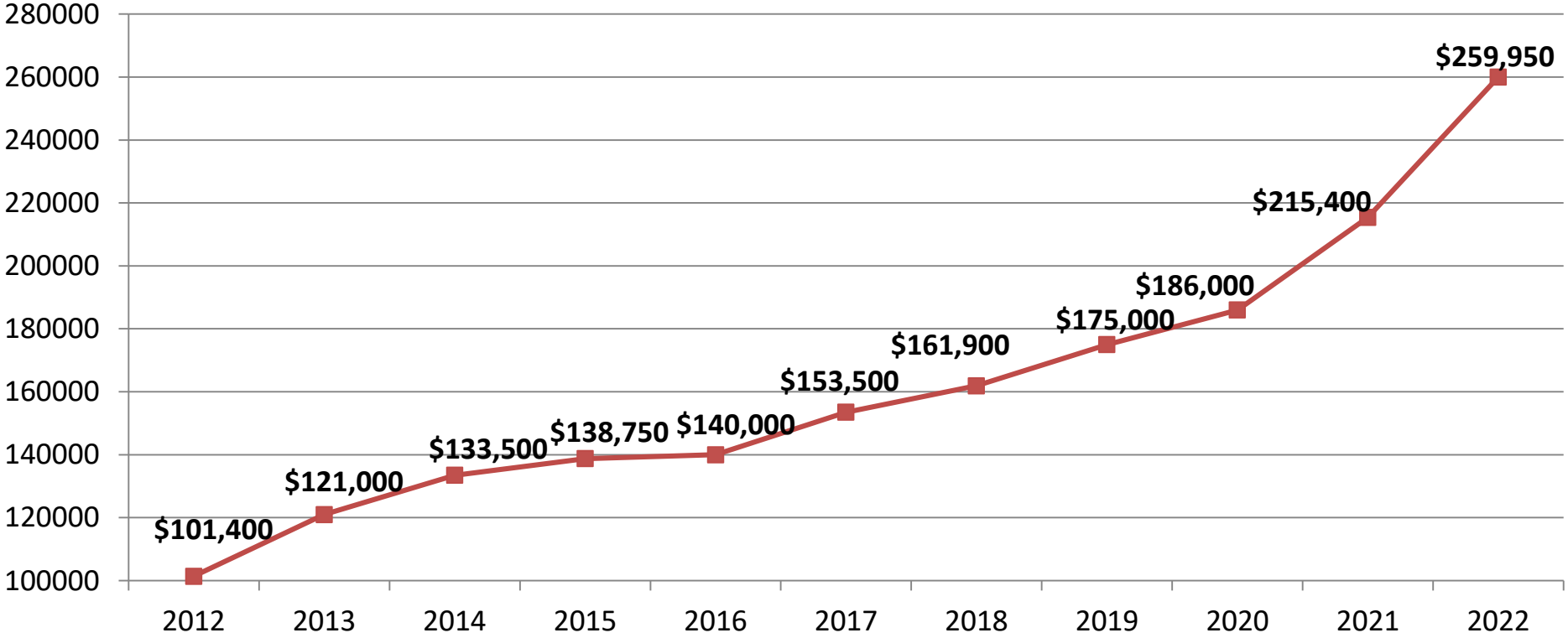
JUNE
- I have the right to appeal next year's value at the county board of equalization.

MAY
- I have the right to Appeal next year's value at the local board of review.
- I pay this year's first half of property taxes.

BRIEFLY ON VALUATIONS

- In Minnesota, the market value of a property is determined by January 2 of the year prior to the year in which taxes on that property are due. In other words, market values for taxes payable in 2023, were set in January 2022.
- Property Values on Statements recently received are based off of home sales from October of 2020 to September of 2021.
- Property owners will receive new notices of market values from the assessor in March/April of 2023. Questions on Valuations should be addressed at the Open Book Meeting in May/June.

MEDIAN HOME VALUES



Source: Minneapolis Area Realtors & City of Hutchinson

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FIRST OFF!

- The preliminary tax levy set in September, and the property tax affect (statement you got in the mail) showed a City tax increase of **5.9%**

- The preliminary budget was balanced

- The revised budget being discussed tonight includes a **3.3%** tax levy increase and a balanced budget

- The City has adjusted its revenue & expense projections and eliminated roughly **$206,000** in taxes since it's preliminary budget was adopted in September

Truth in Taxation

How do we Compare?

WHERE WE STAND

Where does Hutchinson stand in regards to the rest of the County when it comes to our average City property tax rate?

Hutchinson's 2022 Average City Tax Rate ranked the 2nd lowest in McLeod County!

			Preliminary	*Proposed*
1.	Biscay	55.51%		
2.	**Hutchinson**	**60.41%**	**54.83%**	**53.49%**
3.	Glencoe	71.37%		
4.	Plato	75.70%		
5.	Winsted	76.36%		
6.	Lester Prairie	80.28%		
7.	Silver Lake	96.83%		
8.	Brownton	143.15%		
9.	Stewart	154.50%		

Source: McLeod County/City of Hutchinson

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WHERE WE STAND

Other Outstate Regional Centers (2021)

1.	Cloquet	34.02%
2.	Alexandria	39.08%
3.	Willmar	40.52%
4.	Winona	42.03%
5.	Bemidji	49.19%
6.	Faribault	52.57%
7.	Austin	54.16%
8.	Fergus Falls	55.17%
9.	Worthington	56.53%
10.	Northfield	56.60%
11.	Marshall	58.90%
12.	Owatonna	59.53%
13.	Fairmont	59.65%
14.	Albert Lea	60.34%
15.	**Hutchinson**	**63.88%**
16.	Red Wing	66.29%
17.	Brainerd	72.86%
18.	New Ulm	77.97%
19.	Hibbing	93.92%

Regional Center Average = 57.54%

State-Wide City Average = 74.19%

2022	2023 Proposed
60.41%	**53.49%**

Source: League of MN Cities

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WHERE WE STAND

7.9% -- Percentage of population below poverty level – **3rd Lowest** of all Outstate Regional Centers (2020 Census)

$56,083 – Median Household Income – **5th Highest** of all Outstate Regional Centers (2020 Census)

$157,200 – Median Home Value – **6th Highest** of all Outstate Regional Centers (2020 Census)

$2.65 Million – LGA payment in 2021 – **3rd Lowest** of all Outstate Regional Centers

9.1% -- 2023 State-Wide Proposed Property Tax Increase for Cities

6.0% -- 2023 State-Wide Proposed Property Tax Increase for all Taxing Agencies

Source: U.S. Census Bureau/Minnesota Dept. of Revenue

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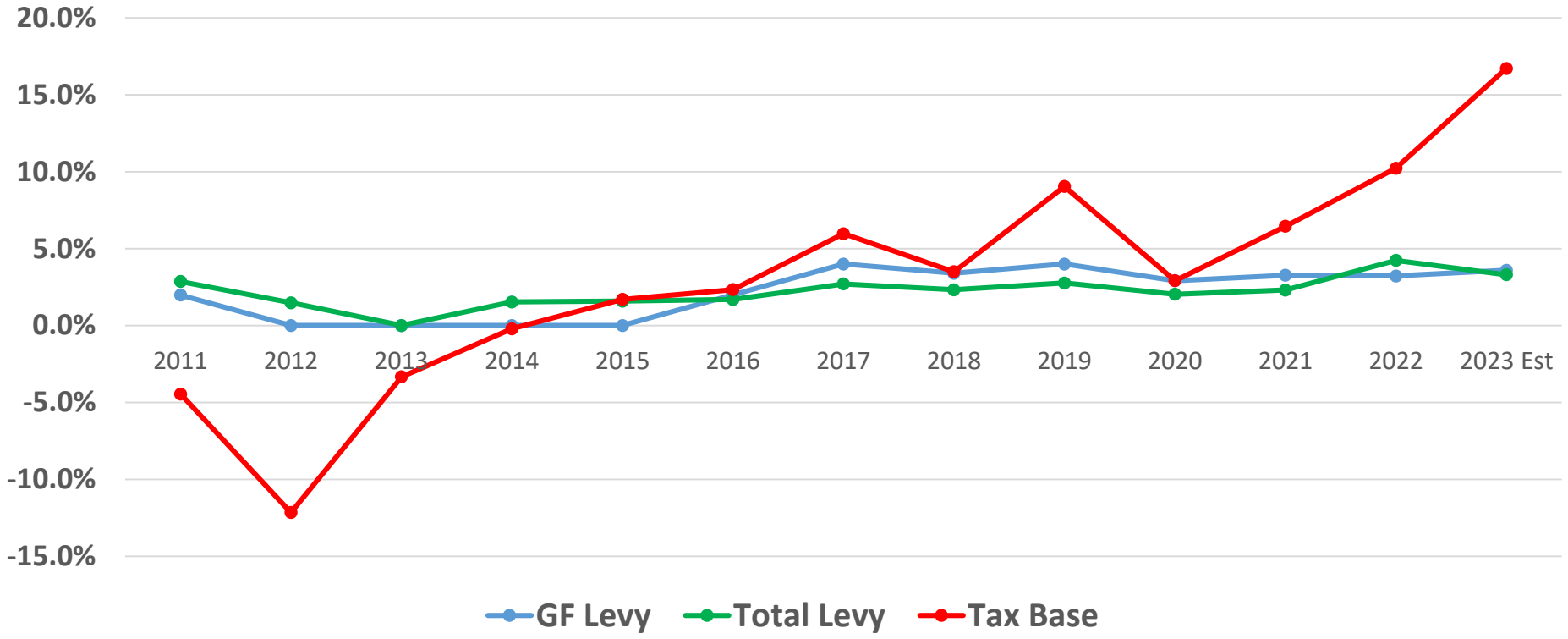
TAX LEVY COMPARISON TO TAX BASE



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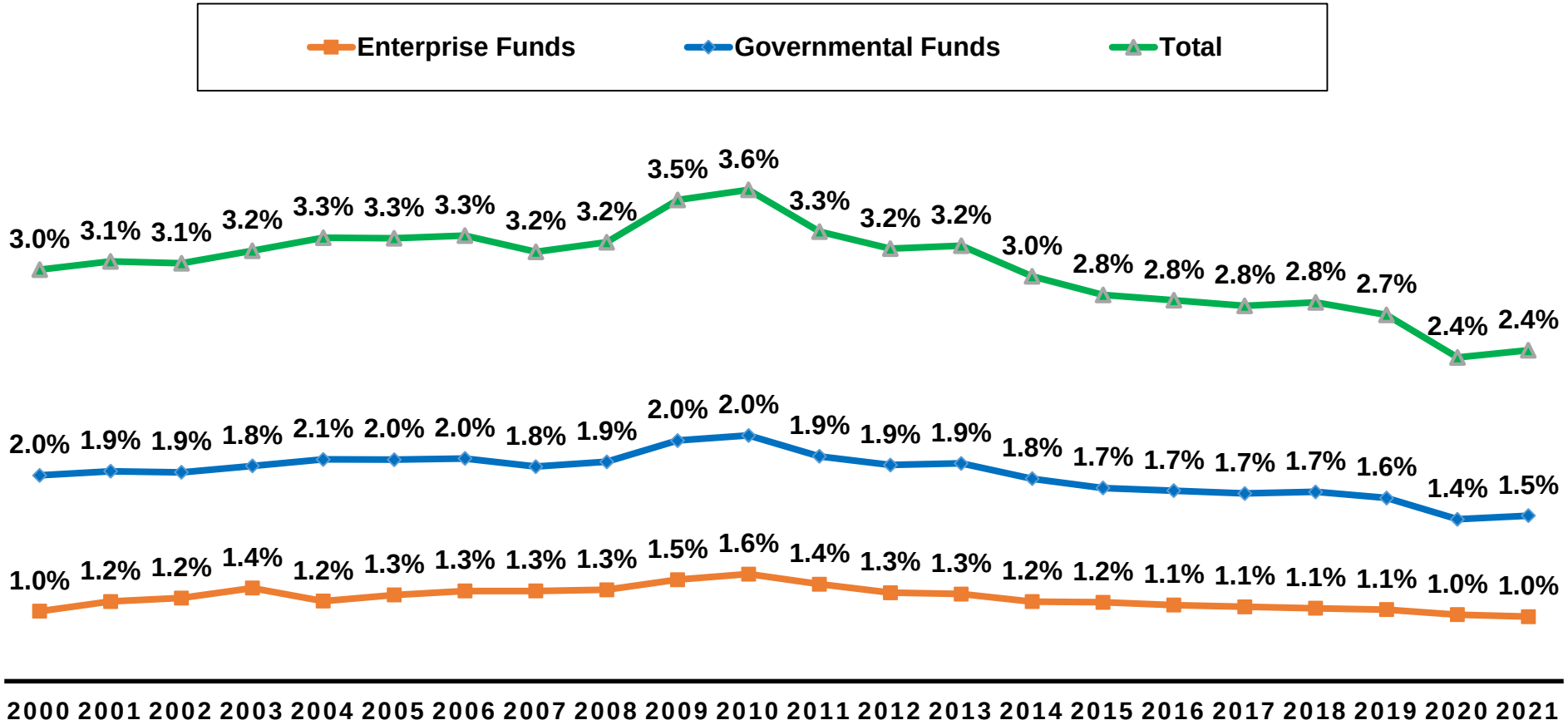
Price of Government for the City of Hutchinson

(percent of every dollar earned going to pay for City services, excluding Electric and Gas Utilities)



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Property Taxation 101

14 REASONS PROPERTY TAXES VARY FROM YEAR TO YEAR

1. The market value of property may change
2. The market value of other properties in your taxing district may change, shifting taxes from one property to another
3. The State general property tax may change
4. The City budget and levy may change
5. The Township budget and levy may change
6. The County budget and levy may change
7. The School District's budget and levy may change
8. A Special District's budget and levy may change
9. Special Assessments may be added to your property tax bill
10. Voters may have approved a school, city/township, county or special district referendum
11. Federal and State mandates may have changed
12. Aid and revenue from the state and federal governments may have changed
13. The State Legislature may have changed the portion of the tax base paid by different types of properties
14. Other state law change may adjust the tax base

Source: League of MN Cities

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PROPERTY TAXATION 101

Minnesota's property tax system is based off of **5 components**.

1. Local Property Tax Levies (City, School District, County, Etc.) – Which create your local Property Tax Rate
2. Property Tax Classification Rates (Ranges from 0.25% to 2.0% - Set by the State)
3. Property Value (Based off of property sales and is set by the County Assessor)
4. Tax Credits (Only certain properties get this)
5. State General Tax (Set by the State and are assigned to mainly commercial/industrial properties)

EXPLANATION OF THE PROPERTY TAX RATE

Hutchinson's Property Tax Rate is set by taking the city's tax levy and dividing it by its total tax capacity.

$8,219,328 / $15,367,012 [Total Tax Capacity] = 53.49%

Total Tax Capacity = Tax capacity is determined by multiplying a property's market value by its classification rate. Each property rate is assigned a classification rate depending on its use by the State Legislature. Properties associated with income production (commercial & industrial) have a higher classification weight than other properties. The City's total tax capacity is an accumulation of all parcels within the city, minus adjustments.

PROPERTY TAXATION 101

How do I determine the City's portion of my proposed tax bill?

[parcel market value] – [homestead exclusion] x [parcel class rate] x [city tax rate] = City portion of your tax bill

Example:

$230,000 (home) – $16,500 (exclusion) x 1.0% (class rate) x .5349 (city tax rate) = **$1,142**

Glencoe = $1,524
Winsted = $1,630

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PROPERTY TAXATION 101

		2023 Tax Levy Options		
	Adopted 2022	Option #1	Current Option #2	September Option #3
General Fund levy:	***3.2%***	***0.0%***	***3.6%***	***7.3%***
Debt levy:	***6.7%***	***0.0%***	***2.6%***	***2.6%***
TAX CAPACITY	$ 13,166,940	$ 15,367,012	$ 15,367,012	$ 15,367,012
% Change		*16.7%*	*16.7%*	*16.7%*
Tax Levy - General Fund	5,605,556	5,605,556	5,809,751	6,015,777
Tax Levy - Debt Service	2,348,252	2,348,252	2,409,577	2,409,577
TOTAL LEVY	**$ 7,953,808**	**$ 7,953,808**	**$ 8,219,328**	**$ 8,425,354**
Total Levy % Increase over 2022		**0.0%**	**3.3%**	**5.9%**
Tax Rate	**60.407%**	**51.759%**	**53.487%**	**54.828%**
Change in Tax Rate		-8.648%	-6.920%	-5.579%

Homestead Property:		2023 Tax Levy Options		
	Adopted 2022	Option #1	Option #2	Option #3
Median Home Value	$ 200,000	$ 230,000	$ 230,000	$ 230,000
Homestead Exclusion	(19,200)	(16,500)	(16,500)	(16,500)
Net Taxable Value	$ 180,800	$ 213,500	$ 213,500	$ 213,500
% Change		18.1%	18.1%	18.1%
Estimated City Tax	1,092	1,105	1,142	1,171
Change from 2022		**$ 14**	**$ 51**	**$ 79**
% Change		**1.3%**	**4.6%**	**7.3%**

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HOMESTEAD EXCLUSION

2011: State repealed the Market Value Homestead Credit (MVHC) and replaced it with the Homestead Market Value Exclusion.

Benefit: City is able to receive its entire Levy amount

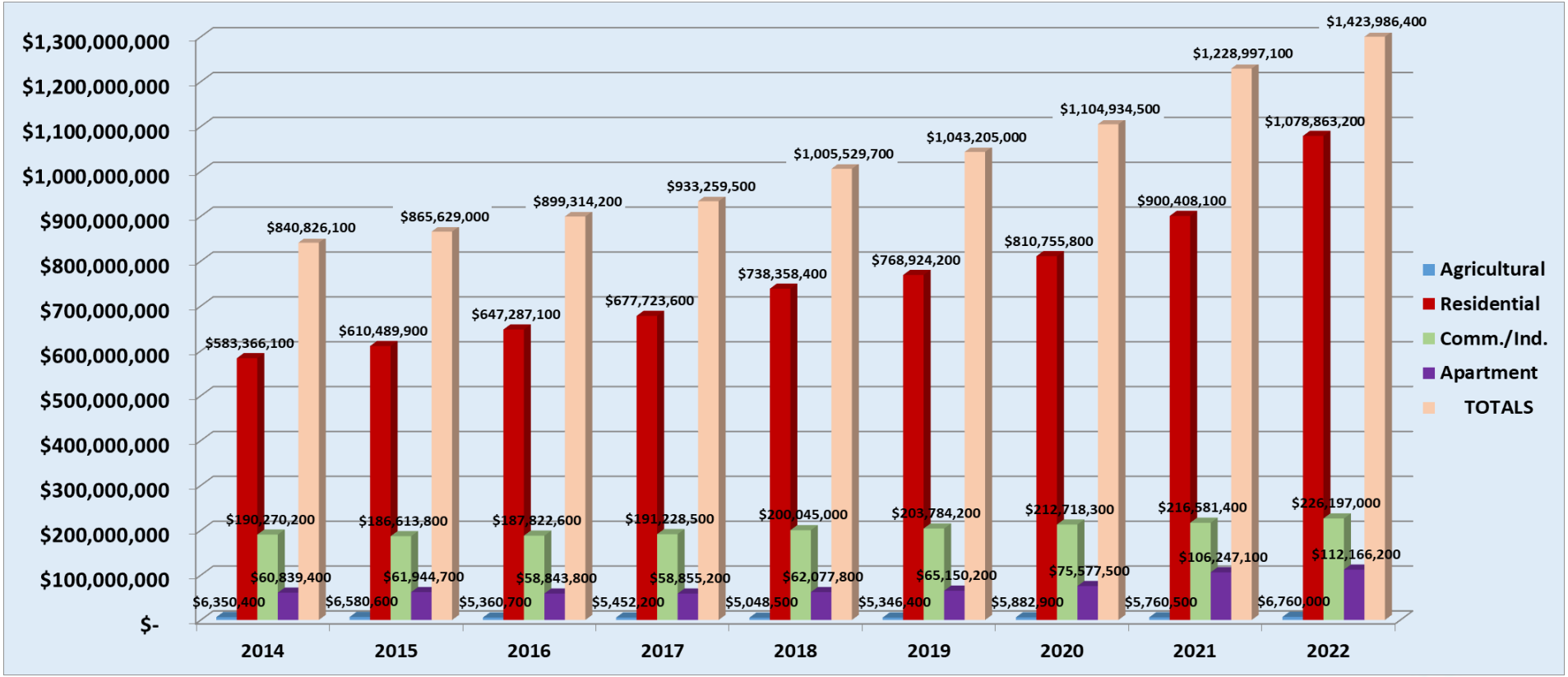
The MVHC reduced the City's collected taxes with the State funding the shortfall. State budget cuts resulted in cities not receiving their entire levy amount.

Homestead Market Value Exclusion:

- Excludes from taxation 40% of the first $76,000 of the property's value.
- The exclusion is reduced by 9% of the property's value exceeding $76,000.
- Homesteads valued at more than $413,800 receive no value exclusion.

Homestead Market Valuation:	**$ 76,000**	**$ 144,000**	**$ 250,000**	**$ 413,800**
Full Exclusion $76,000 x 40%:	(30,400)	(30,400)	(30,400)	(30,400)
Less: 9% of value above $76,000:	-	6,120	15,660	30,400
Total Market Value Exclusion:	**(30,400)**	**(24,280)**	**(14,740)**	**-**
Homestead Valuation for Taxes	**$ 45,600**	**$ 119,720**	**$ 235,260**	**$ 413,800**

MARKET VALUE HISTORY



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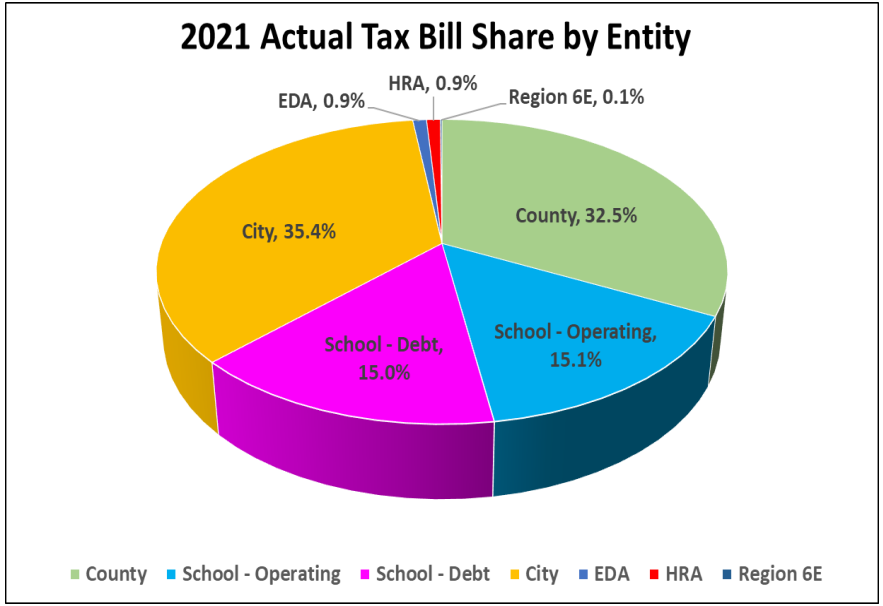
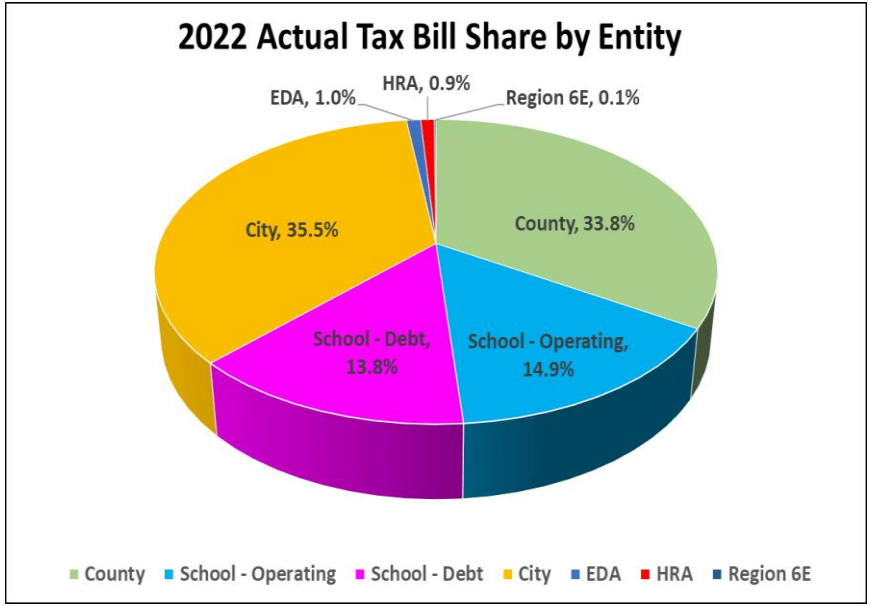
TAX BILL BREAKDOWN





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Truth in Taxation

Proposed 2023 Tax Levy and General Fund Budget

MISSION STATEMENT

"The City of Hutchinson exists so that residents, businesses, property owners and visitors are provided with <u>quality services and programs</u> that support a <u>safe, healthy, sustainable and business-friendly community</u> with a <u>small town atmosphere</u>, for a <u>cost of government similar to, or less than</u>, comparable out-state Minnesota cities."

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6 CORE AREAS OF FOCUS

1) Public Safety

- Provide residents & visitors a "Safe" environment with protection of property

2) Health & Recreation

- Provide and Contribute to a "Healthy Quality of Life"

3) Transportation

- Provide safe and effective movement throughout the City

4) Economic Development

- Provide diversification, job growth and employment opportunities

5) Environment

- Provide concepts that are sustainable and environmentally friendly

6) Good Government

- Citizens perceive the City is delivering quality services at a reasonable price and that there is adequate planning for the future

TAX LEVIES FOR 2023

	2022	2023	% ↑
General Fund	$5,575,556	$5,779,751	3.7%
Tax Abatement	$30,000	$30,000	0.0%
Debt Funds	$2,348,252	$2,409,577	2.6%
Total:	**$7,953,808**	**$8,219,328**	**3.3%**

Other Levies	2022	2023	% ↑
EDA Levy	$218,354	$258,169	18.2%
HRA Levy	$208,000	$160,000	-23.1%
TOTAL TAX IMPACT	**$8,380,162**	**$8,637,497**	**3.1%**

- Statewide preliminary average levy for cities was at a 9.1% increase
- Overall preliminary statewide increase is at 6.0%

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2023 DEBT LEVY

G.O. Bond Issuance	Maturity Date	2023 Debt Levy	Special Assessments	Total Revenue	2023 Debt Payments
2008	2/1/2023	86,800	-	86,800	111,237
2014	2/1/2030	131,358	28,165	159,523	209,000
2015	2/1/2031	137,364	10,510	147,874	187,855
2016	2/1/2032	143,124	23,691	166,815	209,900
2017	2/1/2033	161,379	3,832	165,211	212,250
2018	2/1/2034	135,666	23,500	159,166	292,600
2019	2/1/2035	218,955	14,289	233,244	282,338
2020	2/1/2036	152,131	27,653	179,784	196,105
2021	2/1/2037	169,686	24,436	194,122	176,150
2022	2/1/2038	182,923	22,316	205,239	74,815
Police Facility	2/1/2052	890,191	-	890,191	795,969
Totals		**$ 2,409,577**	**$ 178,392**	**$ 2,587,969**	**$ 2,748,219**

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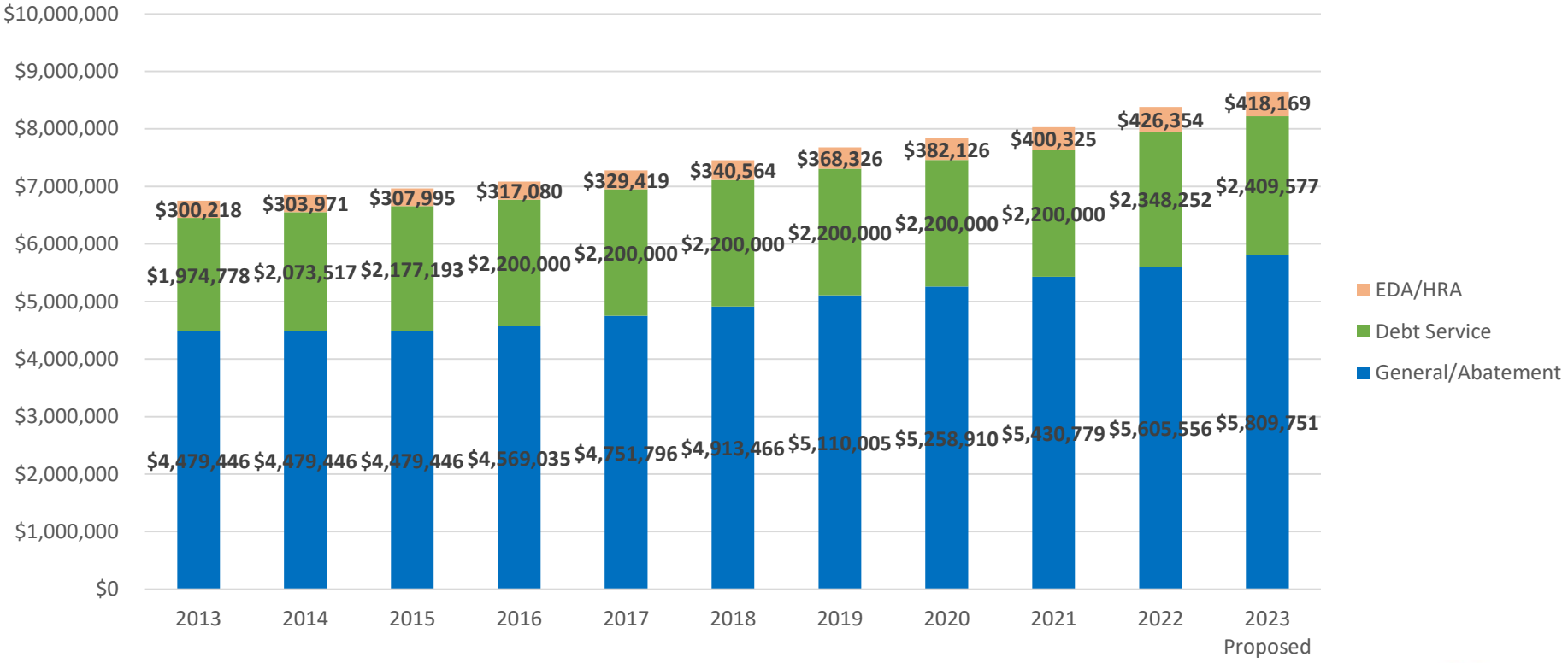
TAX LEVY COMPARISON



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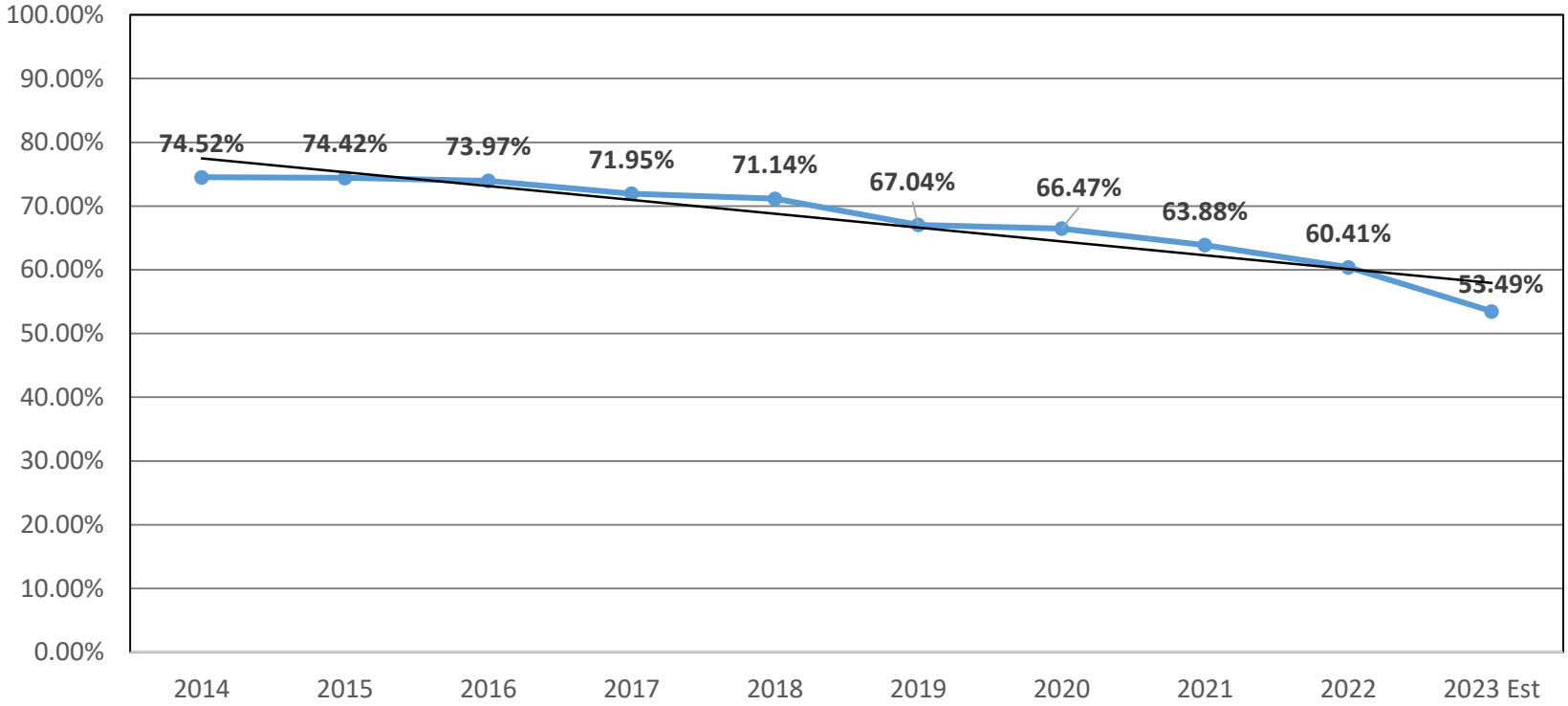
ADDITIONAL INFORMATION ON THE TAX LEVY

- The proposed 2023 tax levy includes the eighth straight year of an increase in the general fund portion of the levy
- The proposed 2023 tax levy includes the second straight year of an increase to the debt fund portion of the levy. (2.6%)
- Compared to 2013, the City's total tax levy has increased by 27.9%
- The average annual tax levy increase since 2013 has been 2.4%
- The 2023 city tax levy accounts for a per capita tax of $559, up from $545 in 2022

ADDITIONAL INFORMATION ON THE CITY'S TAX RATE

- The City's growth in tax capacity (16.7%) continues to outpace the tax levy (3.3%), resulting in a decreasing city tax rate
  - The 2023 city tax rate is expected to be 6.92% lower than the 2022 tax rate
  - Hutchinson's tax rate has decreased each year since 2014
- The median home value would see a $14 city tax bill increase, based on an estimated 18.1% increase from $200,000 to $230,000
  - A property possibly might not see a city tax increase <u>if its value</u> does not increase at the same rate as the median home value
  - A property valued at $200,000 in 2022 with the same value in 2023 would see a $125 decrease in its city tax bill

10-YEAR TAX RATE TREND



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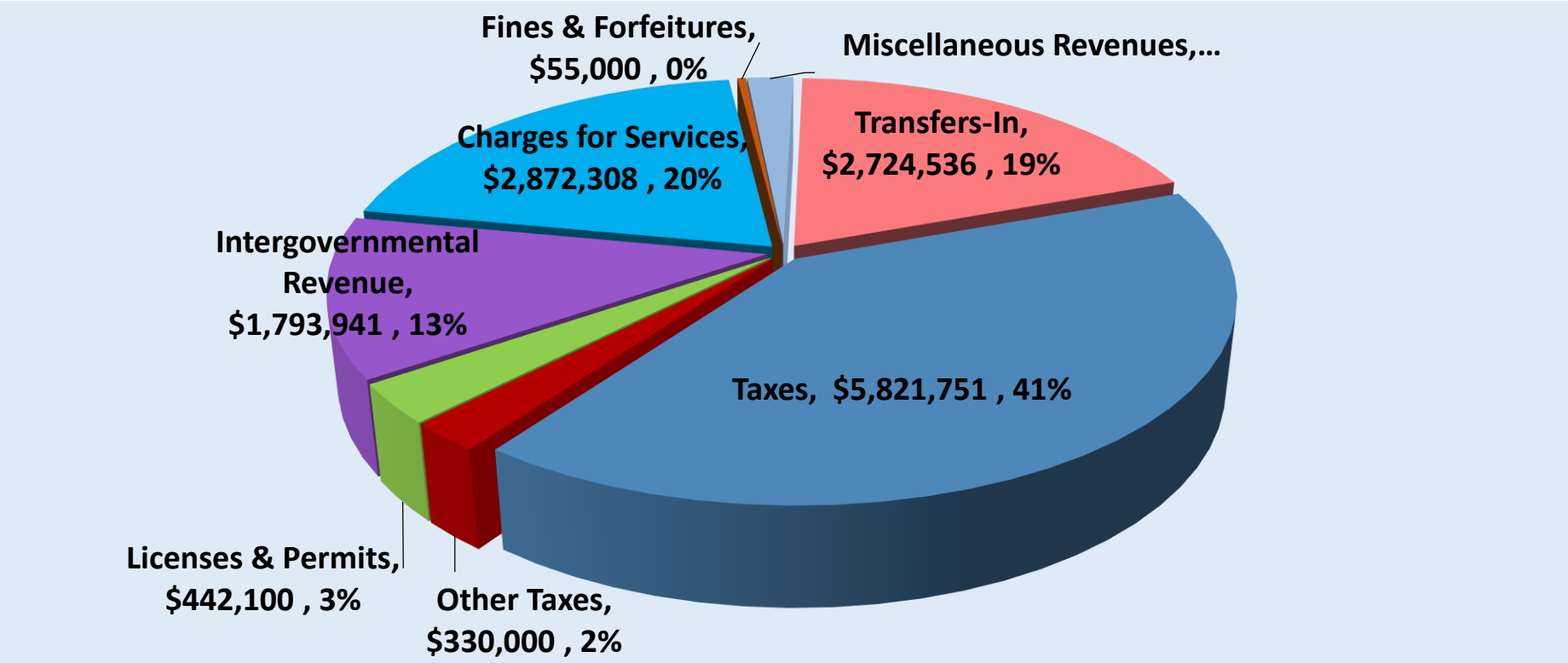
GENERAL FUND REVENUES

	2022	2023	% ↑
Property Taxes	$5,617,566	$5,821,751	3.6%
Other Taxes	$320,000	$330,000	3.1%
Licenses & Permits	$443,600	$442,100	-0.3%
Intergovernmental Revenue	$1,744,821	$1,793,941	2.8%
Charges for Service	$2,816,325	$2,872,308	2.0%
Fines & Forfeitures	$55,000	$55,000	0.0%
Miscellaneous Revenue	$256,500	$289,800	13.0%
Transfers-In	$2,710,191	$2,724,536	0.5%
TOTAL GENERAL FUND	**$13,963,993**	**$14,329,436**	**2.6%**

GENERAL FUND REVENUES



ADDITIONAL FACTS ON GENERAL FUND REVENUES

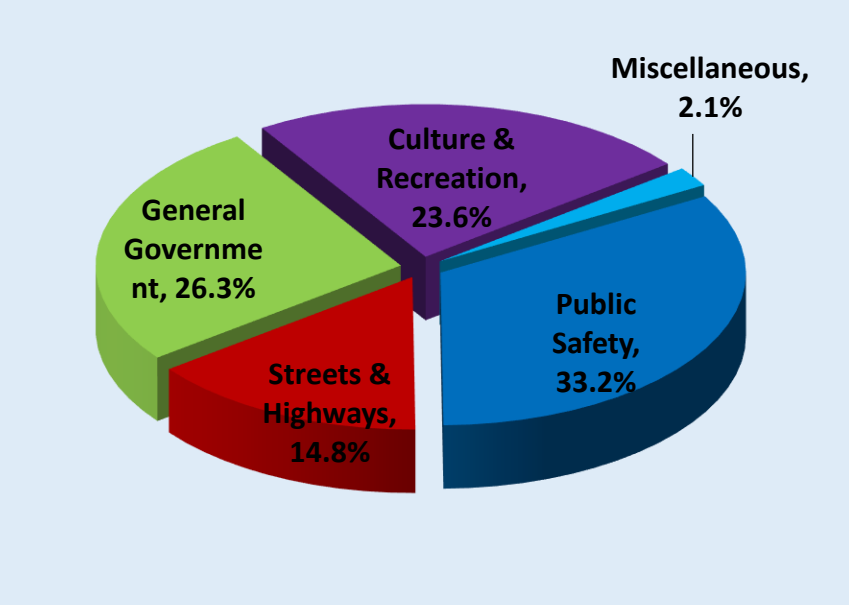
- General Fund revenues include a 3.6% tax levy increase ($204,195)
  - $30,000 of the levy is allocated to the Uponor tax abatement
- Property Taxes account for about 41% of the General Fund Revenues
- PILOT Payment from HUC increased by $37,345
- Last year of phasing out HSA funding from Self Insurance ($23,000)
- LGA increase ($14,925) and Fire & Police Pension Aid increase ($34,195)
  - Remember that the allocation of LGA between the General and Capital Projects Funds is a 50/50 split
- Increase in engineering fees to cover shift of engineering costs to general fund
- Transfer-Ins account for $2,724,536. This is the equivalent of a 48.5% tax levy increase
  - Liquor Fund -- $550,000 (9.8%)
  - Creekside -- $120,000 (2.1%)
  - HUC -- $1,904,536 (33.9%)
- Expecting most of the other revenue sources to remain relatively flat
- A 1% tax levy increase <u>to the general fund</u> is equivalent to $56,056

GENERAL FUND EXPENSES

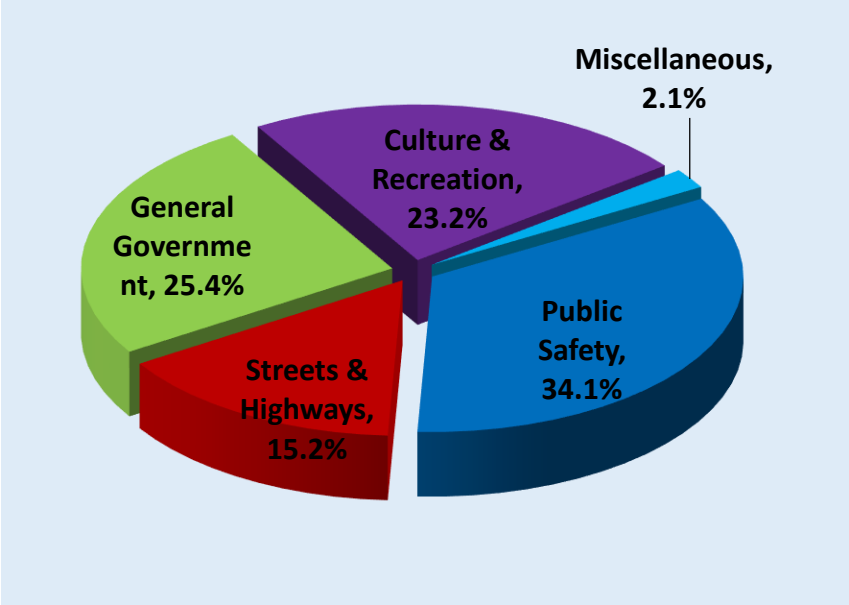
	2022	2023	% ↑
Wages & Benefits	$9,443,650	$9,672,602	2.4%
Supplies	$934,515	$986,823	5.6%
Services & Charges	$2,756,429	$2,827,889	2.6%
Miscellaneous Expenses	$714,086	$723,500	4.4%
Transfers-Out	$110,313	$113,622	3.0%
Capital Outlay	$5,000	$5,000	0.0%
TOTAL GENERAL FUND	**$13,963,993**	**$14,329,436**	**2.6%**

GENERAL FUND EXPENSES

2022 General Fund



2023 General Fund



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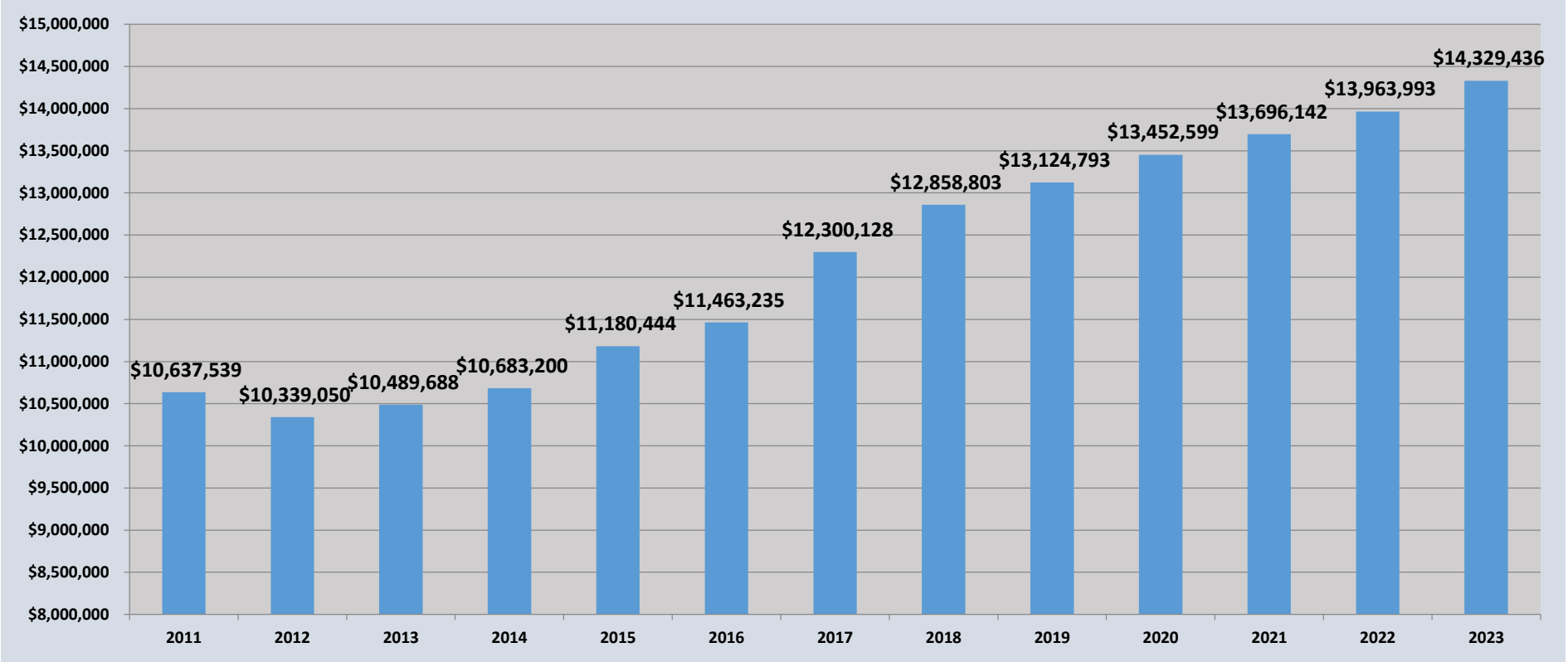
GENERAL FUND BUDGET HISTORY



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ADDITIONAL FACTS ON GENERAL FUND EXPENSES

- Wages & benefits increased by $228,952 in 2023 (2.4%)
    - Costs include performance and other annual adjustments
    - Includes savings of $77,576 for changing health insurance providers
    - Includes separating the Public Works Director and City Engineer Position (adding a FT position)
- Wages & benefits account for **68%** of general fund expenses
    - Largest expense in the general fund
- Increased costs for Police Body Camera ($45,000) due to increased software costs
- Supply costs going up ($52,308) due to higher costs associated with inflation
- Departments have held budgets flat other than wages & benefits and inflationary factors
- Event Center services changing for 2023 (saved about $64,000)
- The 2023 budgeted expenses are balanced with revenues

Truth in Taxation

Proposed 2023 Tax Enterprise Funds Budgets

ENTERPRISE FUNDS

	2022	2023	%↑↓
Liquor Revenue	$7,427,000	$7,291,500	-1.8%
Liquor Expenses	$7,427,158	$7,365,814	-0.8%
Compost Revenue	$2,825,000	$3,068,400	8.6%
Compost Expenses	$3,070,356	$3,649,048	18.8%
Refuse Revenue	$1,339,300	$1,357,500	1.4%
Refuse Expenses	$2,600,482	$2,549,823	-1.9%
Water Revenue	$3,190,635	$3,582,185	12.3%
Water Expenses	$4,934,524	$4,775,082	-3.2%
Wastewater Revenue	$4,230,300	$4,216,000	-0.3%
Wastewater Expenses	$5,605,145	$6,402,565	14.2%
Stormwater Revenue	$1,055,650	$1,089,300	3.2%
Stormwater Expenses	$1,793,748	$1,324,948	-26.1%

ENTERPRISE FUNDS - CASH

	2022	2023
Liquor Estimated Cash Flow	$70,542	($13,314)
Liquor Estimated Ending Cash Balance	$442,000	$428,686
Compost Estimated Cash Flow	$103,894	($224,873)
Compost Estimated Ending Cash Balance	$2,700,000	$2,475,127
Refuse Estimated Cash Flow	($1,092,182)	($1,020,323)
Refuse Estimated Ending Cash Balance	$1,856,000	$835,677
Water Estimated Cash Flow	($611,889)	($102,897)
Water Estimated Ending Cash Balance	$4,145,000	$4,042,103
Wastewater Estimated Cash Flow	($192,845)	($1,013,566)
Wastewater Estimated Ending Cash Balance	$7,824,000	$6,810,434
Stormwater Estimated Cash Flow	($484,098)	$39,352
Stormwater Estimated Ending Cash Balance	$804,000	$843,352

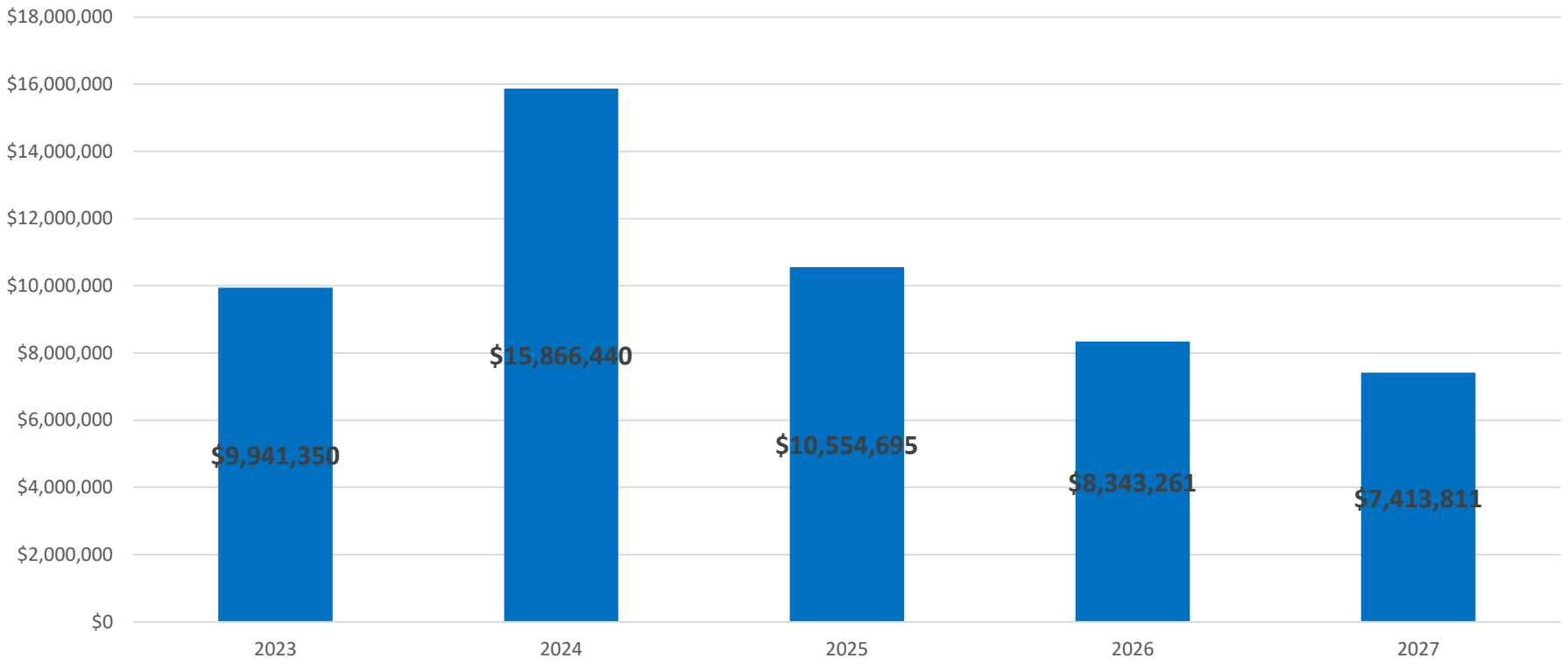
ADDITIONAL FACTS ON ENTERPRISE FUNDS

- Liquor Hutch ($550,000) and Creekside ($120,000) continue to do well and will contribute $670,000 to the general fund in 2023
- No increases in garbage rates
  - Garbage was last increased in 2008
- A shift in water and sewer rates will take place in 2023. Some may see an increase, overall it will likely be a push (first since 2011)
- All enterprise funds continue to have healthy fund balances
- Slight rate increase to stormwater rates (3%)
- Transfers to the General Fund from the Enterprise Funds will be at $820,000 in 2023.
- Total Enterprise money is $2,724,536 when you include the HUC money
- Capital needs due to the age of all of the facilities are starting to increase

Truth in Taxation

Proposed 2023 Capital Improvement Plan (CIP) and Debt Management Plan

2023 – 2027 CIP



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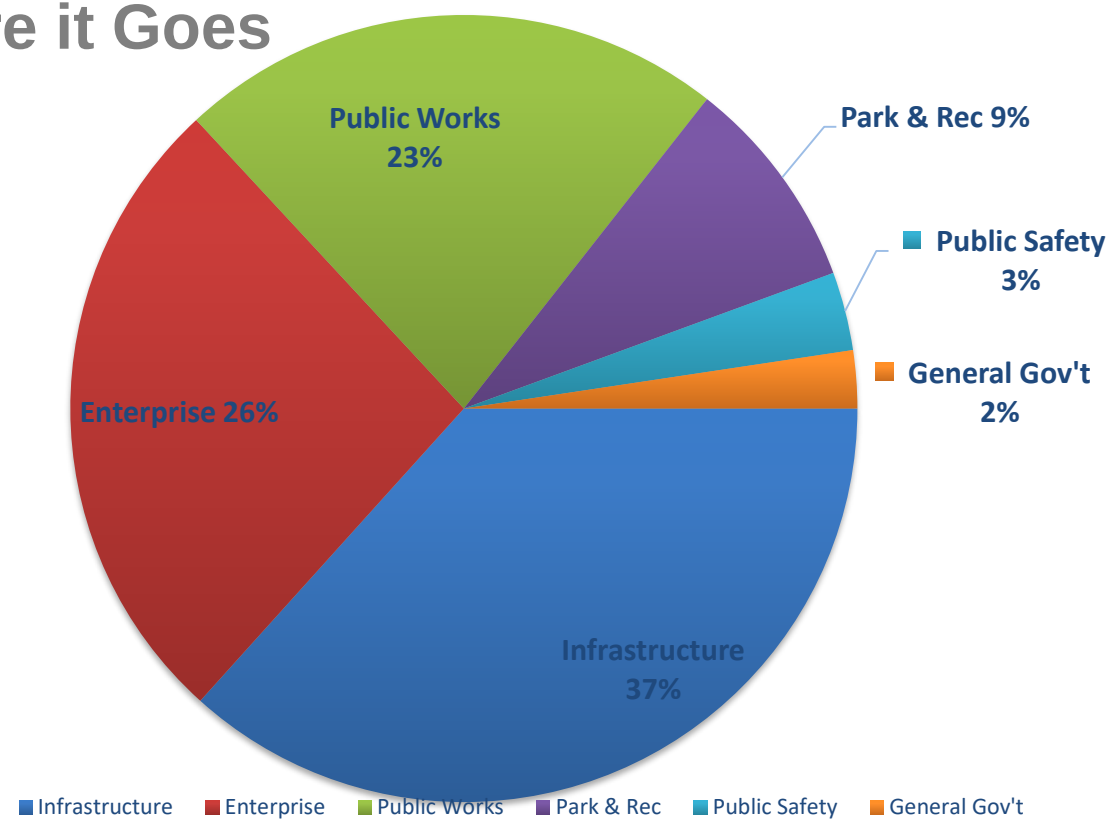
2023-2027 CIP – Where it Goes

- Infrastructure ($19.12 million)
  - New Construction
  - Reclaims
  - Partial Reconstruction
  - Pavement Management
  - LED Streetlight Retrofits
- Enterprise Funds ($13.77 million)
  - Creekside/Refuse
  - Liquor Store
  - Water, Sewer, WW, Storm
- Public Safety ($1.68 million)
  - Police
  - Fire
  - Inspections
- Public Works ($11.73 million)
  - Airport
  - Cemetery
  - Engineering
  - Streets (buildings/vehicles)
- Park & Rec. ($4.59 million)
  - Pool/Rec Center
  - Civic Arena
  - Event Center
  - Parks
  - Library
- General Government ($1.24 million)
  - Admin/Technology
  - Elections
  - City Center



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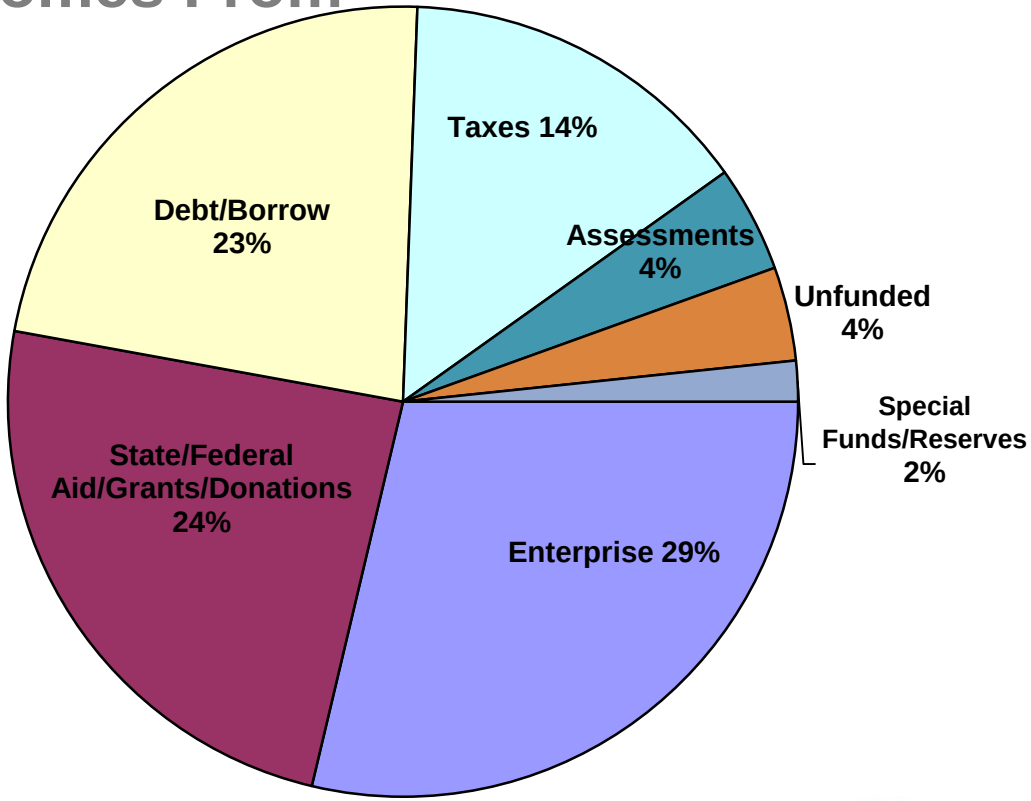
2023-2027 CIP – Where it Comes From

- New Debt ($11.84 million)
  - Amount of money that we need to borrow to pay for capital projects
- Enterprise Funds ($14.96 million)
  - Creekside, Liquor Store, Refuse, Water, Sewer, WW, Storm
  - Revenue generated by these funds help pay for capital projects
- Taxes ($7.59 million)
  - Money from our tax levy that gets designated towards capital projects
  - $1.85 million/year
  - About 20% of our overall levy
  - Could come from Capital Fund balances
- Special Assessments ($2.27 million)
  - Direct costs that will be assigned to property owners adjacent to projects
- Aid/Grants ($12.59 million)
  - State Aid
  - State & Federal Grants
  - Bridge Funds
  - Donations
- Special Funds/Reserves ($867,197)
  - HUC
  - Cooperative Agreements



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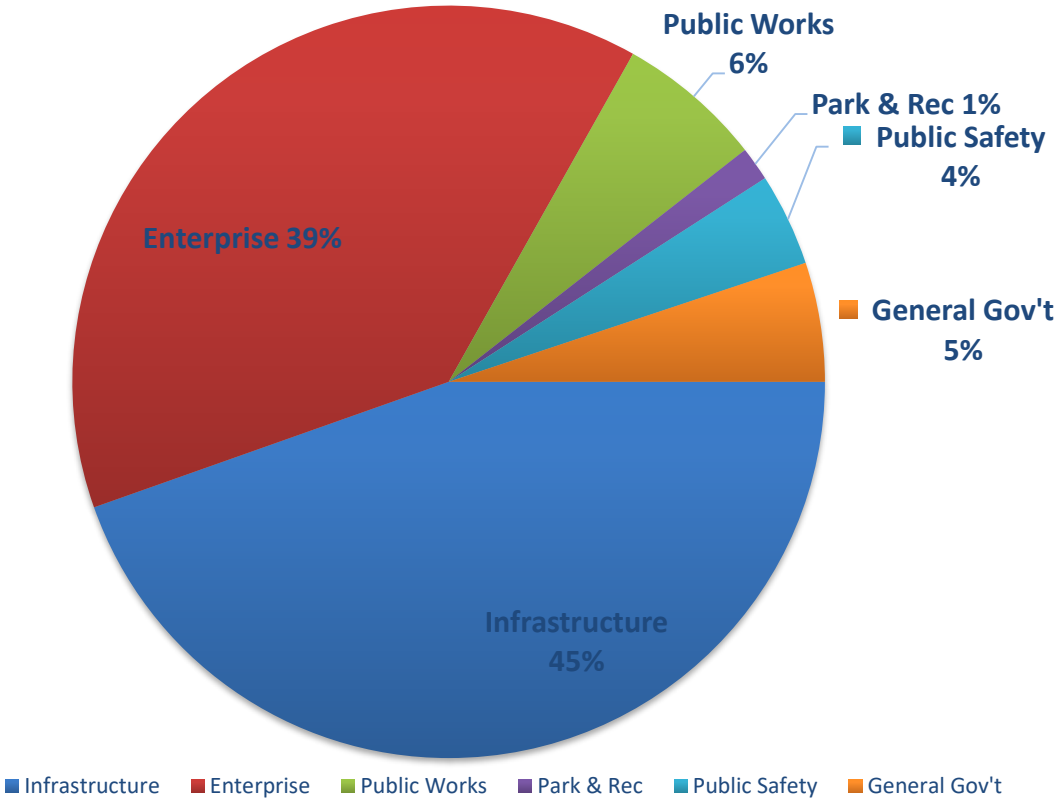
2023 Portion of the CIP

- Infrastructure ($4.43 million)
  - Dale Street and Roberts Road
  - Century Avenue
  - Highway 15 Trail
  - Bridge Deck Repairs
- Enterprise Funds ($3.83 million)
  - Creekside Facility/Equipment
  - Water, Wastewater, and Storm Water Improvements and Equipment
- Public Safety ($395,900)
  - New Fire Dept. Parking Lot
  - Police Vehicles
  - Inspection Vehicle
- Park & Rec. ($145,962)
  - Vehicles
  - Playground Upgrades
- Public Works ($624,500)
  - Airport
  - Cemetery
  - Street Vehicles
- General Government ($508,996)
  - I.T. Upgrades
  - C.C. Parking Lot



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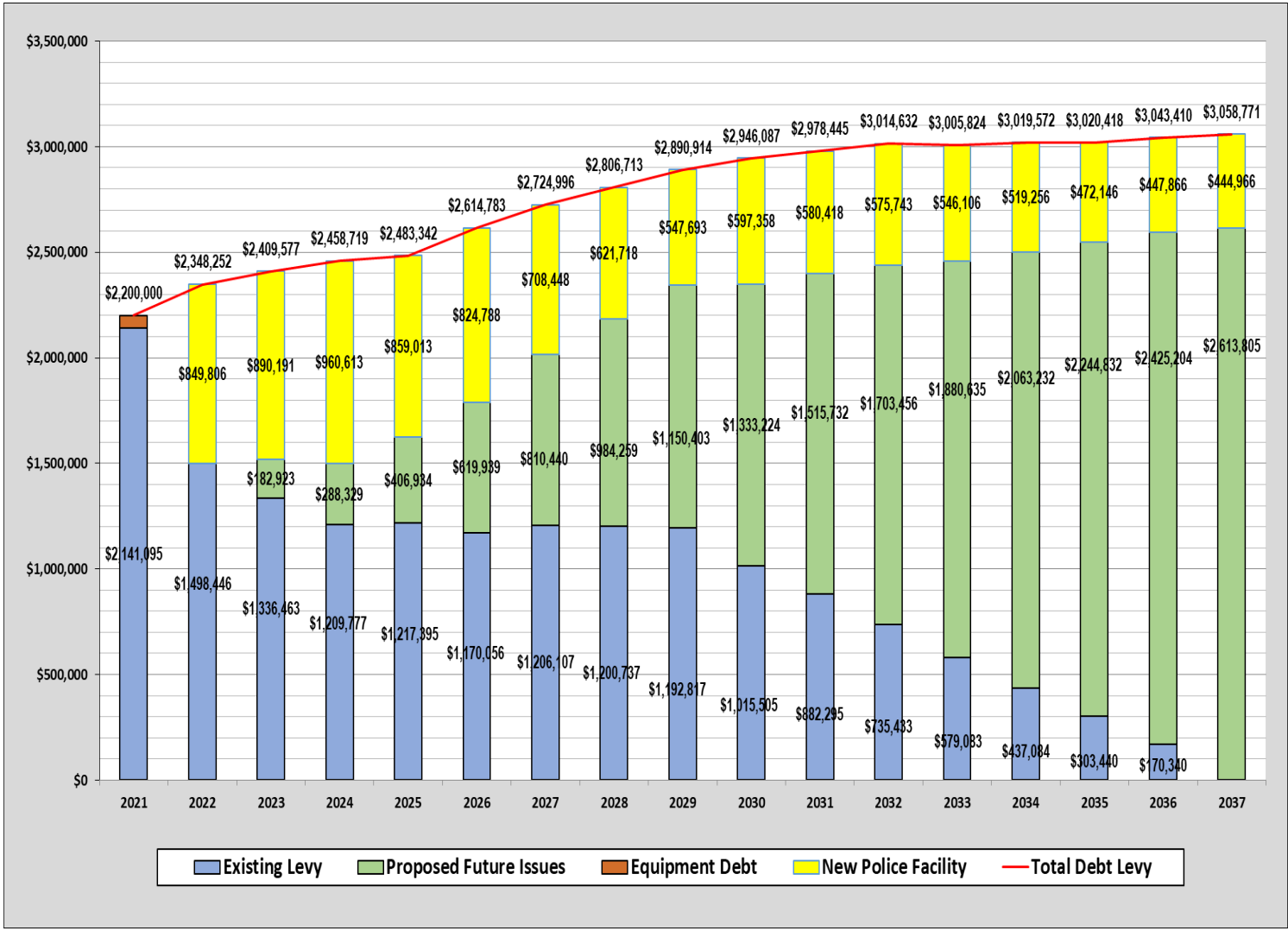
DEBT MANAGEMENT PLAN

Target Debt Levy was $2.6 Million

- The 2022 Debt Management Plan and our plans moving forward will exceed our target limit of $2.6 million due to the financing needs of the new police station.
- 2022 was our first tax increase to our debt levy since 2016 and the debt levy will continue to increase until 2031.
- Our other project limit continues to be at $1.9 million.
- Low interest rates in recent years have allowed for higher project limits, that is changing.
- Should have a discussion on a new target debt levy



Truth in Taxation

Conclusion of the Proposed 2023 Budget Presentation and Truth in Taxation Hearing

ADDITIONAL INFORMATION

PROPOSED 2023 TAX LEVY					
				Change from Prelim	
	2022	2023	% Chg	Amount	%
General Fund	$5,575,556	5,779,751	3.7%	($206,026)	-3.7%
Tax Abatement	30,000	30,000	0.0%	-	0.0%
Total General Fund	5,605,556	5,809,751	**3.6%**	(206,026)	**-3.7%**
Debt Funds	2,348,252	2,409,577	2.6%	-	0.0%
Total City Tax Levy	**$7,953,808**	**$8,219,328**	**3.3%**	**($206,026)**	**-2.6%**
EDA Levy	218,354	258,169	18.2%	-	0.0%
HRA Levy	208,000	160,000	-23.1%	-	0.0%
TOTAL TAX IMPACT	**$8,380,162**	**$8,637,497**	**3.1%**	**($206,026)**	**-2.5%**

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ADDITIONAL INFORMATION

	2022	2023	
General Fund Revenue	$13,963,993	$14,329,436	2.6%
General Fund Expenses	$13,963,993	$14,329,436	2.6%
General Tax Levy	$5,575,556	$5,779,751	3.7%
Tax Abatement	$30,000	$30,000	0.0%
Debt Tax Levy	$2,348,252	$2,409,577	2.6%
Total:	**$7,953,808**	**$8,219,328**	**3.3%**
EDA Tax Levy	$218,354	$258,169	18.2%
HRA Tax Levy	$208,000	$160,000	-23.1%
TOTAL TAX IMPACT	**$8,380,162**	**$8,637,497**	**3.1%**

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BIGGEST FACTOR BEHIND A LEVY INCREASE

General wage and benefit increases, along with staff changes are expected to cost us an additional $228,952 in 2023

General Inflationary Factors are impacting the budget as well.

Reminder: A 1% levy increase is equal to $79,538 ($56,056 – General)

ADDITIONAL INFORMATION

- Outside of cutting back on the services provided at the event center and splitting up the Public Works Director/City Engineer, the budget includes no other significant increases or cuts in staffing or changes in service
- **Staffing costs and capital needs are the biggest "driver" of our budget**
- Fund balances continue to remain high and the fiscal condition of the City is healthy
- The State's budget forecasts has a surplus and there are no anticipated shortfalls for the 2023-24 budget
- Home values continue to increase and the city is continuing to see growth at all levels (residential including multi-family, commercial, industrial)
- Inflation and supply chain issues are impacting the City as well

NEXT STEPS

- Additional Questions from Council Members and the Public
- Council to approve final budgets and levies at their December 27 city council meeting.
- Certify Final Levies to the County by December 30

THANK YOU!