



2023 Budget, Tax Levy and Truth-in-Taxation Hearing

Budget Timeline

January- February	Staff reviews/ updates Capital Improvement Plan (CIP), City Manager & Finance Director review
March	Finance Director updates the Financial Management Plan (FMP) and analyzes year to date results for prior year
April 19th	Work session to discuss CIP, FMP and any departments that need additional discussion based on prior year results
June- August	Department Heads prepare budget requests and submit for review by City Manager & Finance Director. City Manager & Finance Director complete a preliminary budget for tax supported funds.
August 16th	Work session to discuss tax levy recommendation to support General Fund and Debt Service Funds.
August- September	City Manager & Finance Director finalize the preliminary budget.
September 13th	City Council adopts preliminary tax levy and establishes the Truth in Taxation hearing date.



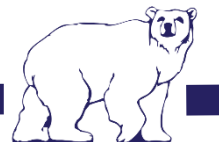
Budget Timeline Cont.

September-October	City Manager & Finance Director complete 2023 preliminary budgets for Special Revenue Funds, Enterprise Funds and a draft Fee Schedule.
October 18th	Work session to discuss budgets for the Special Revenue Funds, Enterprise Funds and the draft Fee Schedule.
November 21 st	Budget document distributed to Mayor & City Council.
December 13th	City Council holds its Truth-in-Taxation hearing and adopts the tax levy, the Revised 2022 Budget, the 2023 Budget and the 2023 Fee Schedule



Purpose of TNT Hearing

- Provide a summary of the General Fund budget
- Explain the property tax implications of the budget
- Allow for citizen comments



Public Engagement

Public Meetings	Find the next public meeting at https://www.whitebearlake.org/calendar
Phone and Email	Find the staff directory or submit a request at https://www.whitebearlake.org/contact
News and Events	Find news and events related to the City at https://www.whitebearlake.org/news
Public Notices	View public notices at https://www.whitebearlake.org/public-notice
Notify Me	Sign up for email subscriptions to notices for news and events, public notices, City projects, and more at https://www.whitebearlake.org/newsletter/subscriptions
Facebook	Find the City on Facebook at https://www.facebook.com/cityofwhitebearlake/
Twitter	Find the City on Twitter at https://twitter.com/cityofwhitebear



Budget Commitments

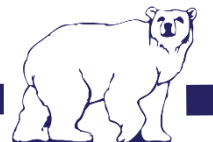
- Support a Public Safety model that is oriented to being proactive, preventive and prepared while meeting the staffing, support and facility needs
- Gradually eliminate reliance on Local Government Aid (LGA) as the State's distribution formula reduces the City's annual amount received
- Maintain a 10-year Capital Improvement Plan (CIP) to ensure funding is available for future projects and capital replacements
- Maintain a 10-year Financial Management Plan (FMP)
- Maintain a fund balance of not less than 35% of the subsequent year's budgeted operating expenditures



2023 Budget

Significant Revenue Changes

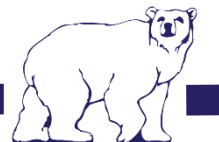
- Unavoidable decrease in building permit revenue (School district permits complete).
- Interest revenue is not budgeted, uncertainty in market.
- Transfer from Construction Fund to reduce support of Engineering operations per Council direction.
- Unavoidable reduction of City's Fiscal Disparities contribution to the pool by 2.7% and the distribution by 7.6%.
- Unavoidable decrease of approx. \$506,350 in Local Government Aid (LGA).
 - Council should plan for annual decreases of approx. \$250,000 in the next few years until the amount received is \$0.



2023 Budget

Significant Expenditure Changes

- Salary adjustments per the Pay Plan adopted by Council
- Unavoidable increase in utilities and fuel costs
- Increase in health insurance benefits
- Addition of two full-time firefighters/paramedics
- Removal of two positions previously funded (Finance and Engineering)
- Replacement of playground sand in three parks (Podvin, Ramaley, Spruce)
- Improved mental health services for public safety employees
- Electronic plan review software for Building Department
- Increase in miscellaneous technology costs and contract cleaning services



2023 Capital Improvement Plan

- No impact on tax levy.
- 2023 purchases:
 - Fleet / replacements for Police, Parks and Building departments
 - Police squad equipment and body-worn cameras
 - Routine technology upgrades / replacements
 - Fire rescue boat



Tax Levy

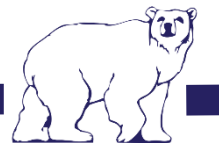
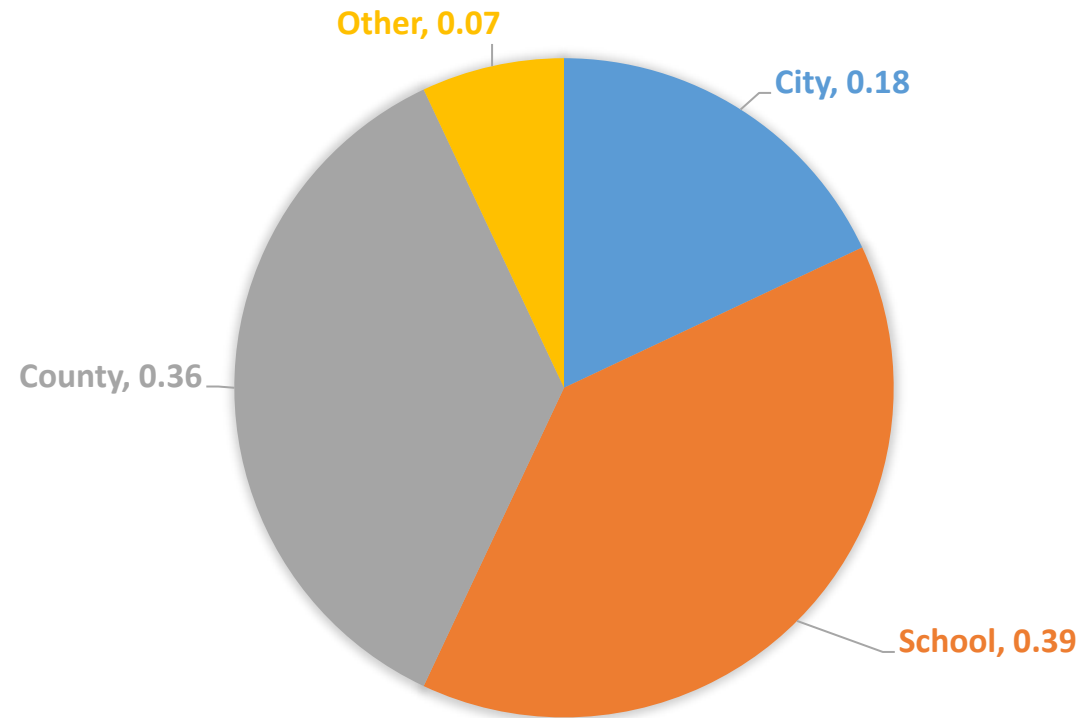
- Using Unrestricted Surplus in General Fund Balance to offset tax levy increase.
- Will maintain fund balance between 35-50% as recommended by Office of the State Auditor and City Council Policy.
- Tax capacity rate of 24.448%.

General Fund Operations	\$1,008,000	12.48%
Street Improvement Project Debt Service	\$198,000	2.45%
Public Safety Facility Project Debt Service	\$669,000	8.28%
TOTAL LEVY INCREASE	\$1,875,000	23.21%



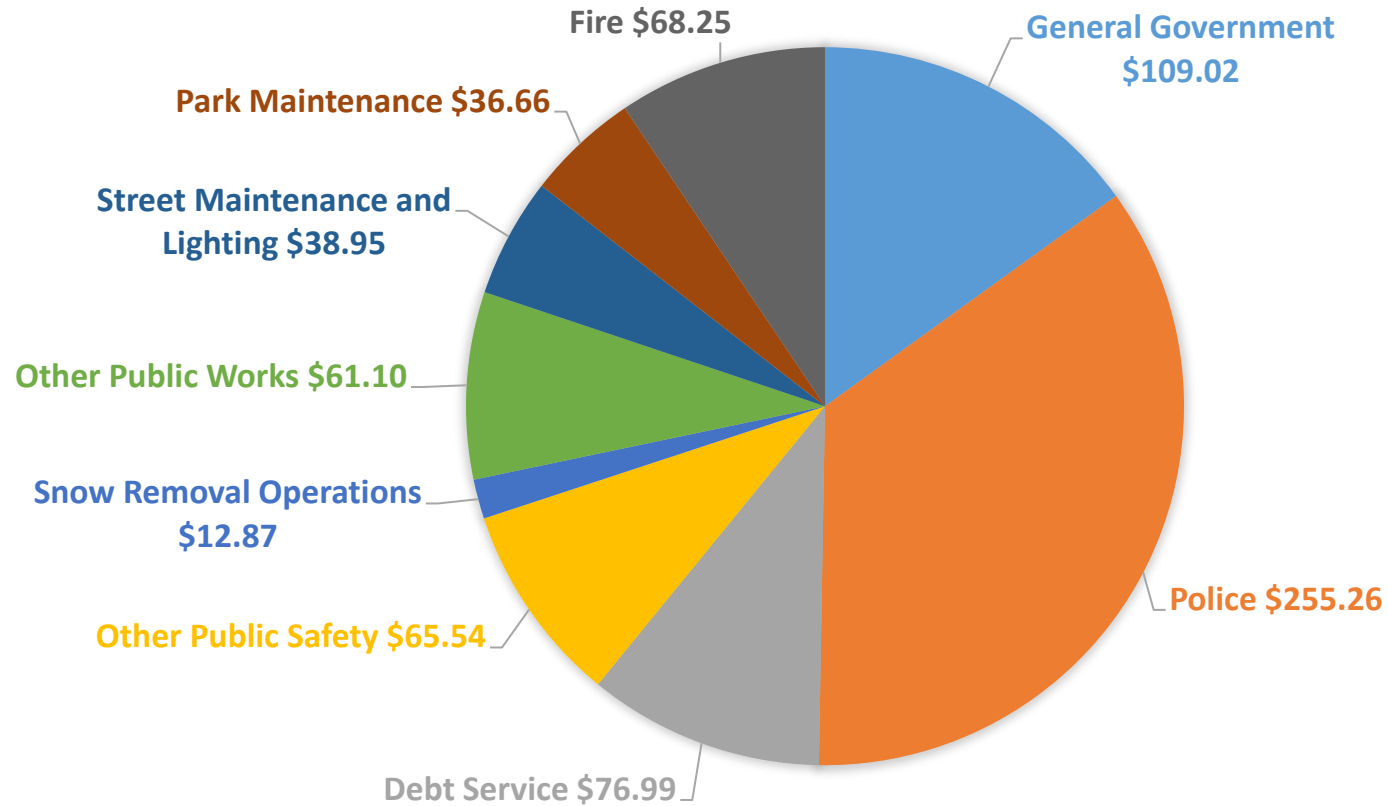
Where Does Your Tax Dollar Go?

EACH TAX DOLLAR IS DIVIDED BETWEEN THESE ORGANIZATIONS



Where Do Your City Property Taxes Go?

MEDIAN VALUE HOME \$306,100
ANNUAL CITY TAXES \$724.64



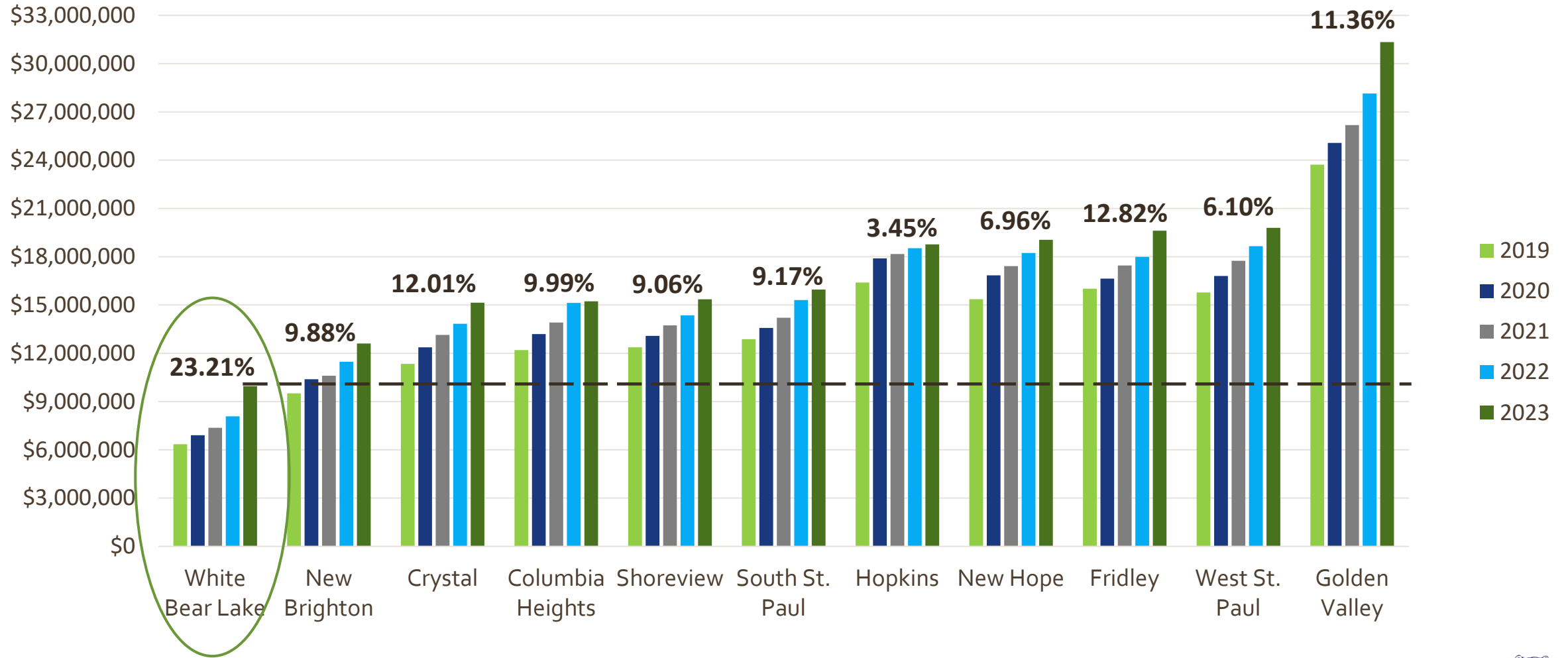
Revenue Collection Comparisons

City	2021 Population Estimates	2023 Proposed Preliminary General Levy*	2023 LGA	2021 Franchise Taxes	Total	Per Capita
Golden Valley	22,334	\$ 31,338,311	\$ -	\$ 2,250,959	\$ 33,589,270	\$ 1,504
West St. Paul	20,882	19,795,031	1,468,972	3,279,725	24,543,728	1,175
Hopkins	18,926	18,766,224	925,794	1,183,050	20,875,068	1,103
South St. Paul	20,745	15,961,003	2,854,979	1,343,648	20,159,630	972
New Hope	21,870	19,053,316	867,286	962,395	20,882,997	955
Columbia Heights	21,859	15,226,920	1,972,108	170,540	17,369,568	795
Fridley	29,536	19,620,870	1,871,738	260,474	21,753,082	736
Crystal	23,083	15,142,880	1,046,814	-	16,189,694	701
Shoreview	26,967	15,351,627	-	1,603,203	16,954,830	629
New Brighton	23,705	12,609,500	441,769	1,216,360	14,267,629	602
White Bear Lake	24,671	9,955,368	827,265	307,570	11,090,203	450

*These preliminary levies may not have been formally adopted yet and are subject to change.



Tax Levy Comparisons



Revised 2022 Budget

Revenues: Anticipated revenues exceed the adopted budget estimates by \$598,278.

Activities providing additional revenues:

- Franchise fees
- Other Non-Business permit fees (Electrical, HVAC, Plumbing and Driveways)
- Fire Relief Aid
- Park rental fees

Expenditures: Revised budget reflects \$341,202 increase in budgeted expenditures after factoring out \$323,485 transfer to the Municipal Building Fund.

Changes come from:

- Vehicle and Equipment Fuel
- Natural Gas
- Embedded mental health services for public safety employees
- Fire Relief Aid, an amount equal to the payment received from the State
- Electric costs for contracted street lighting through Xcel Energy



Property Tax Assistance

Regular Homestead Credit Refund: This refund of up to \$2,930 requires that you owned and lived in your home on January 2, 2022 and your household income for 2021 was less than \$119,790.

<https://www.revenue.state.mn.us/homeowners-homestead-credit-refund> or 651-296-3781

Special Homestead Credit Refund: This refund of up to \$1,000 requires that you owned and lived in the same home on January 2, 2021, and on January 2, 2022; your net property tax increased more than 12% and at least \$100 from 2021 to 2022; and the increase was not due to improvements made to the property.

<https://www.revenue.state.mn.us/homeowners-homestead-credit-refund> or 651-296-3781

Renter's Property Tax Refund: This refund of up to \$2,280 requires that you lived in and paid rent on a MN building where the owner was assessed property taxes and your household income for 2021 was less than \$64,920.

<https://www.revenue.state.mn.us/renters-property-tax-refund> or 651-296-3781

Senior Citizen Property Tax Deferral Program: Seniors at least 65 or older, with a total household income of \$60,000 or less, and who have owned and lived in their home for the last 15 years, may be eligible to defer a portion of their property taxes and special assessments. Participants would pay no more than 3% of their household income, and the remaining taxes owed would be paid by the State in the form of a loan. The loan and variable interest would need to be repaid before title of the property is transferred to a new owner. <https://www.revenue.state.mn.us/property-tax-deferral-senior-citizens> or 651-556-6091



Property Tax Assistance Cont.

Property Tax Reduction for the Blind or Permanently Disabled: State law allows a reduced property tax rate for blind or permanently and totally disabled property owners who homestead their property.

<https://www.ramseycounty.us/residents/property-home/taxes-values/homestead> or 651-266-2040

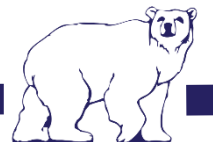
Property Tax Exclusion for Disabled Veterans: This program provides a property tax market value exclusion of either \$150,000 or \$300,000 for the homestead of an honorably discharged veteran who has a service-connected disability rating of 70% or higher. The surviving spouse or primary family caregiver of qualifying veterans may also be eligible.

<https://www.ramseycounty.us/residents/property-home/taxes-values/homestead> or 651-266-2040

Tax Penalty Waiver: Property owners may request one penalty waiver per parcel once every 10 years for a late property tax payment. The waiver may be applied to either the first-half or second-half payment but not both.

<https://www.ramseycounty.us/residents/property/taxes/pay-property-tax> or 651-266-2222

Abatement Requests due to Exceptional Hardship: Taxpayers who are affected by hospitalization or other medical emergencies have the right to request a property tax abatement from the County. The request may apply to penalties, interest and/or costs. If an abatement is not granted, the County will work with property owners to provide information on all available forms of tax relief available, including developing partial payment schedules. 651-266-2222



Recommendations

Staff recommends the City Council hold the Truth-in-Taxation (TNT) hearing, and subsequently adopt the attached resolutions as presented:

- Resolution adopting the 2023 budget and revising the 2022 budget
- Resolution adopting the 2022 tax levy for taxes collectable in 2023
- Resolution committing fund balances for specific purposes
- Resolution authorizing contributions toward volunteer and employee recognition
- Resolution authorizing and acknowledging contributions and involvement in promoting business and cultural activities

