



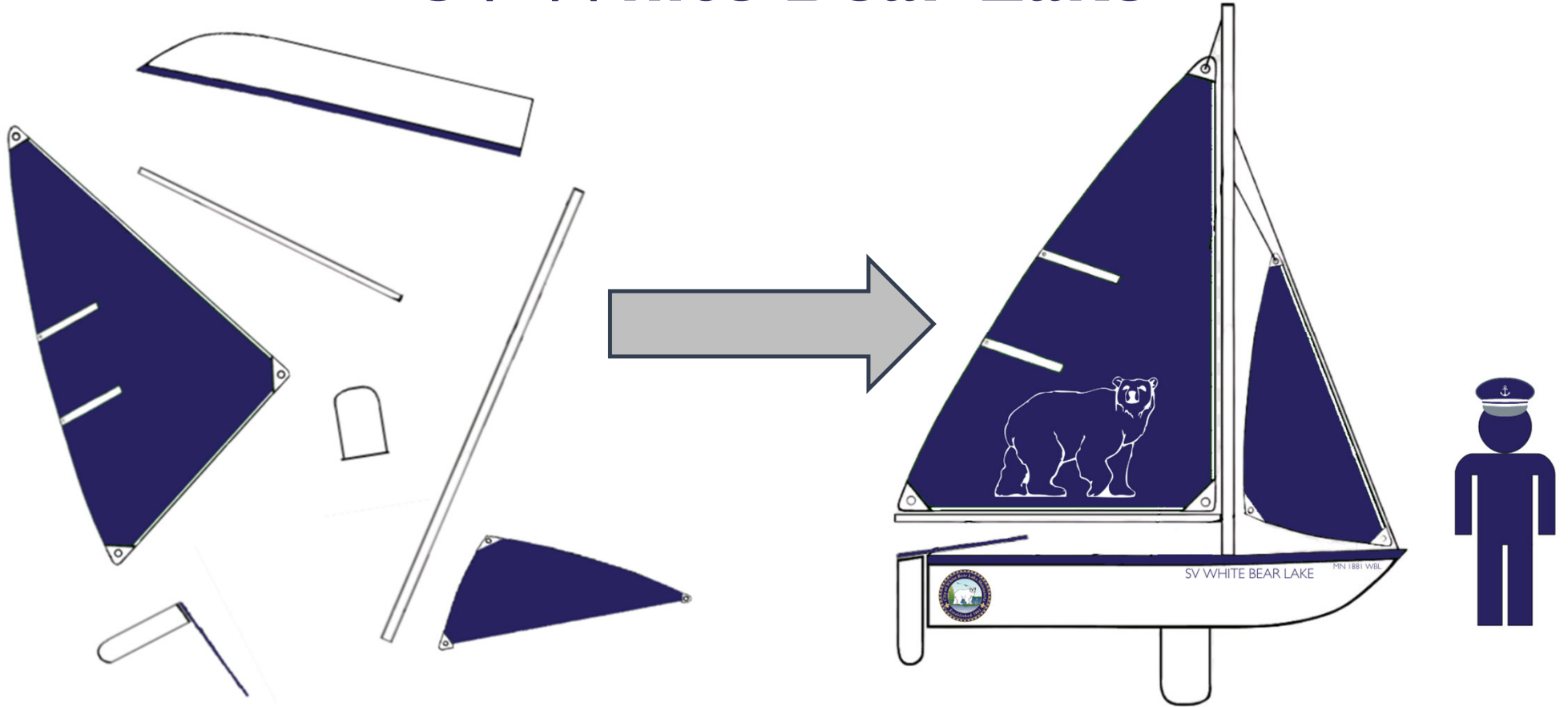
# **2024 Final Budget, Tax Levy, and Truth-in-Taxation Hearing**

# Overview

- Annual Budget Timeline
- 2024 General Fund Summary
- Tax Levy and Comparisons
- 2024 Non-tax Supported Funds Summary
- 2023 Revised General Fund Budget
- Truth-in-Taxation Hearing
- Adopt Budgets and Tax Levy

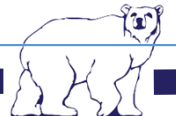


# SV White Bear Lake



# 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
<b>April 18<sup>th</sup></b>	<b>Work session to discuss CIP, FMP and any departments that need additional discussion based on prior year results</b>
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.
<b>August 15<sup>th</sup></b>	<b>Work session to discuss tax levy recommendation to support General Fund and Debt Service Funds.</b>
August- September	City Manager & Finance Director finalize the preliminary budget.
<b>September 12<sup>th</sup></b>	<b>City Council adopts preliminary tax levy and establishes the Truth in Taxation hearing date.</b>



# Budget Timeline Cont.

September-October	City Manager & Finance Director complete 2024 preliminary budgets for Special Revenue Funds, Enterprise Funds and a draft Fee Schedule.
<b>October 17<sup>th</sup></b>	<b>Work session to discuss budgets for the Special Revenue Funds, Enterprise Funds and the draft Fee Schedule.</b>
November 21 <sup>st</sup>	Budget document distributed to Mayor & City Council.
<b>December 12<sup>th</sup></b>	<b>City Council holds its TNT hearing and adopts the tax levy, the Revised 2023 Budget, the 2024 Budget and the 2024 Fee Schedule</b>



# Public Engagement

<b>Public Meetings</b>	<a href="https://www.whitebearlake.org/calendar">https://www.whitebearlake.org/calendar</a>
<b>Phone and Email</b>	<a href="https://www.whitebearlake.org/contact">https://www.whitebearlake.org/contact</a>
<b>News and Events</b>	Various events, bi-annual newsletter, and more at <a href="https://www.whitebearlake.org/news">https://www.whitebearlake.org/news</a>
<b>Public Notices</b>	<a href="https://www.whitebearlake.org/public-notice">https://www.whitebearlake.org/public-notice</a>
<b>Notify Me</b>	Email subscriptions to notices for news and events, public notices, City projects, and more at <a href="https://www.whitebearlake.org/newsletter/subscriptions">https://www.whitebearlake.org/newsletter/subscriptions</a>
<b>Facebook</b>	<a href="https://www.facebook.com/cityofwhitebearlake/">https://www.facebook.com/cityofwhitebearlake/</a>
<b>Twitter</b>	<a href="https://twitter.com/cityofwhitebear">https://twitter.com/cityofwhitebear</a>



# Budget Commitments

- Support a Public Safety model that is oriented to being proactive, preventive and prepared while meeting the staffing, support and facility needs
- 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
- Gradually eliminate reliance on Local Government Aid (LGA) to support General Fund operations



# Purpose of TNT Hearing

- Provide a summary of the next year's General Fund (operating) budget
- Explain property tax implications of the budget
- Allow for citizen comments





# 2024 General Fund Budget

## Significant Revenue Changes

- Decrease in building permit revenues – School District permits issued or completed.
- Interest revenue estimates for the year are an extrapolation of allocated earnings based on the average cash balance as of 6/30/2023.
- Reduction of the Pavement Management Fund transfer of support for Engineering operations previously embedded in the Pavement Management Fund.



# 2024 General Fund Budget

## Significant Expenditure Changes

- Ambulance operations moved from an Enterprise Fund to the General Fund.
- Addition of two full-time firefighters/paramedics – effective January 1, 2024
- Addition of one facility maintenance technician position – effective July 1, 2024
- Emerald Ash Borer (EAB) diseased and dying tree removal program
- Salary adjustments per the Classification and Compensation Plan and adopted labor agreements (including benefit factors) and a cost of living adjustment (COLA) of 3%.
- Critical incident appropriations.
- Increase in miscellaneous technology costs and contract cleaning services



# 2024 General Fund Budget

## Other Areas of Note

- Public Safety Facility debt service
  - The City issued debt in order to provide funding for the public safety facility renovation and expansion project
- American Rescue Plan Act (ARPA)
  - The federal aid has concluded, which returns the burden of budget support to both tax and non-tax revenues.
- Local Government Aid (LGA)
  - Staff recognizes, and the Council acknowledges, that this funding source, though stable now, may be reduced or eliminated by the State in the future, which will require a higher tax levy to support operating and capital expenditures.



# Why a property tax levy?

- Supports operations to provide necessary City services
- Revenues and expenditures impact the General Fund's fund balance
- Adequate fund balance levels are maintained to:
  - Mitigate risks of revenue short falls or unanticipated expenditures
  - Ensure financial stability
- The City analyzes fund balance by:
  - Fund Balance Policy 35-50% expenditures for the following year
  - Fund Balance availability to pay claims



# 2024 Tax Levy Summary

September 12, 2023	\$12,200,000
Adopted Preliminary Levy	Increase of \$2,245,000 or 22.55%
November 21, 2023	\$12,028,000
Additional Staff Analysis	Increase of \$2,073,000 or 20.82%
<b>December 12, 2023</b>	<b>\$12,003,000</b>
<b>2024 Proposed Final Levy</b>	<b>Increase of \$2,048,000 or 20.57%</b>

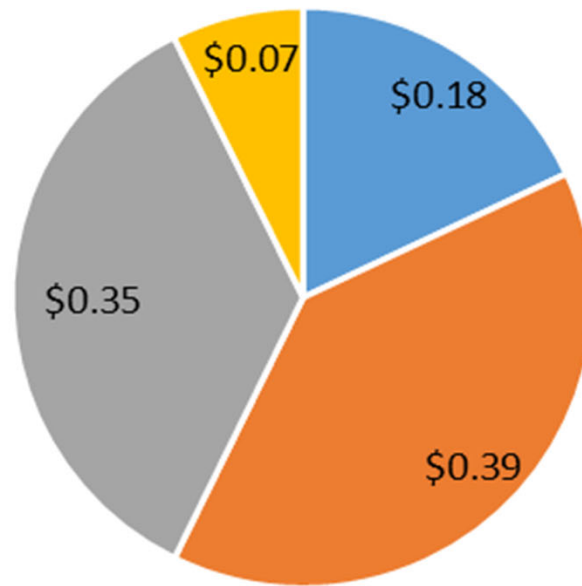


# 2024 Tax Levy

General Fund Operations	\$ 1,497,000	15.04%
Public Safety Facility Project Debt Service	\$ 551,000	5.53%
<b>Total Levy Increase</b>	<b>\$ 2,048,000</b>	<b>20.57%</b>
<b>Tax Capacity Rate</b>		<b>27.263%</b>



## Where does your total tax dollar go?



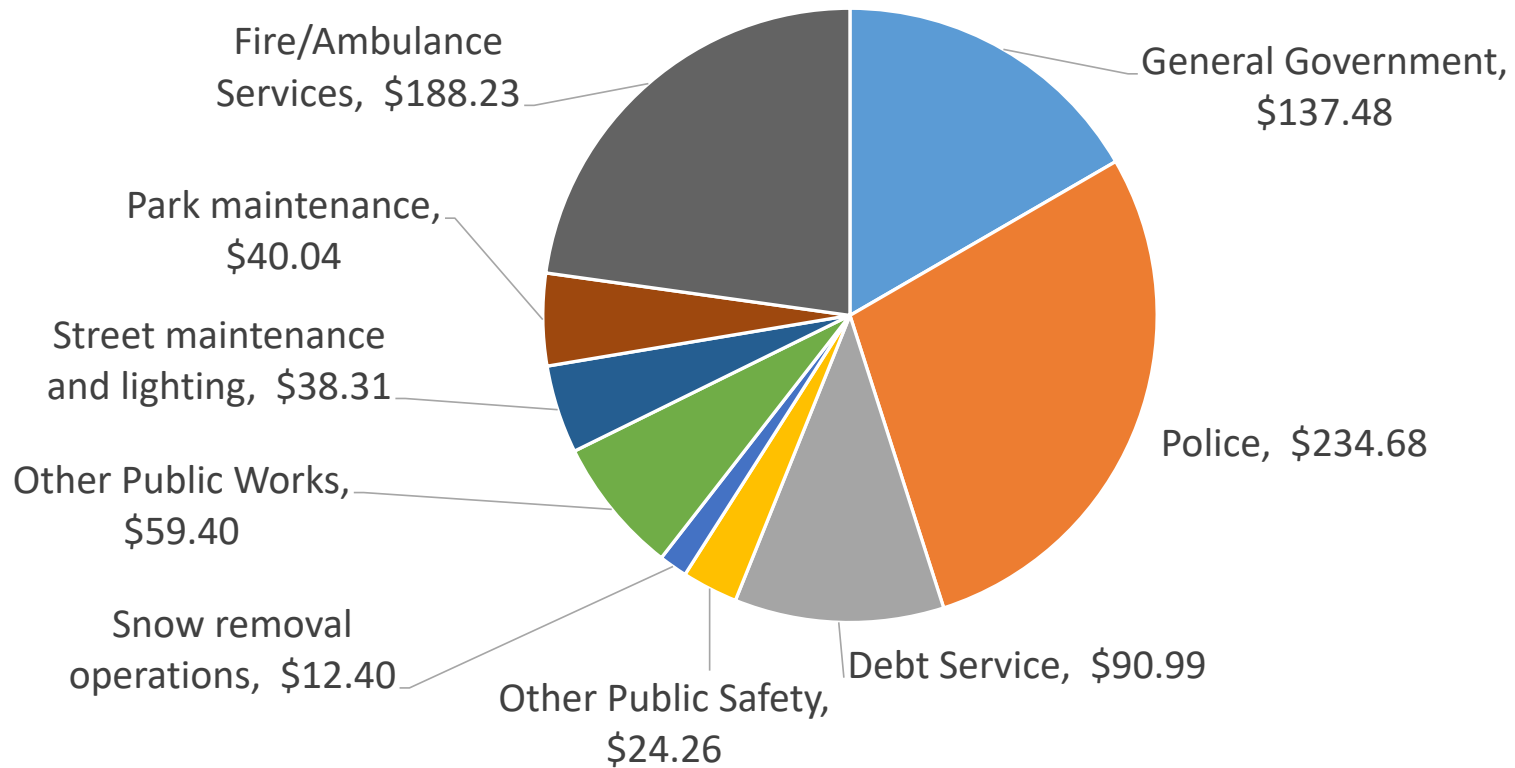
- City of WBL
- ISD #624
- Ramsey or Washington County, depending on property location
- Other Governmental Agencies, i.e. watershed districts



## Where do your annual City property taxes go?

Median Value Home \$312,100

Annual City Taxes \$825.80





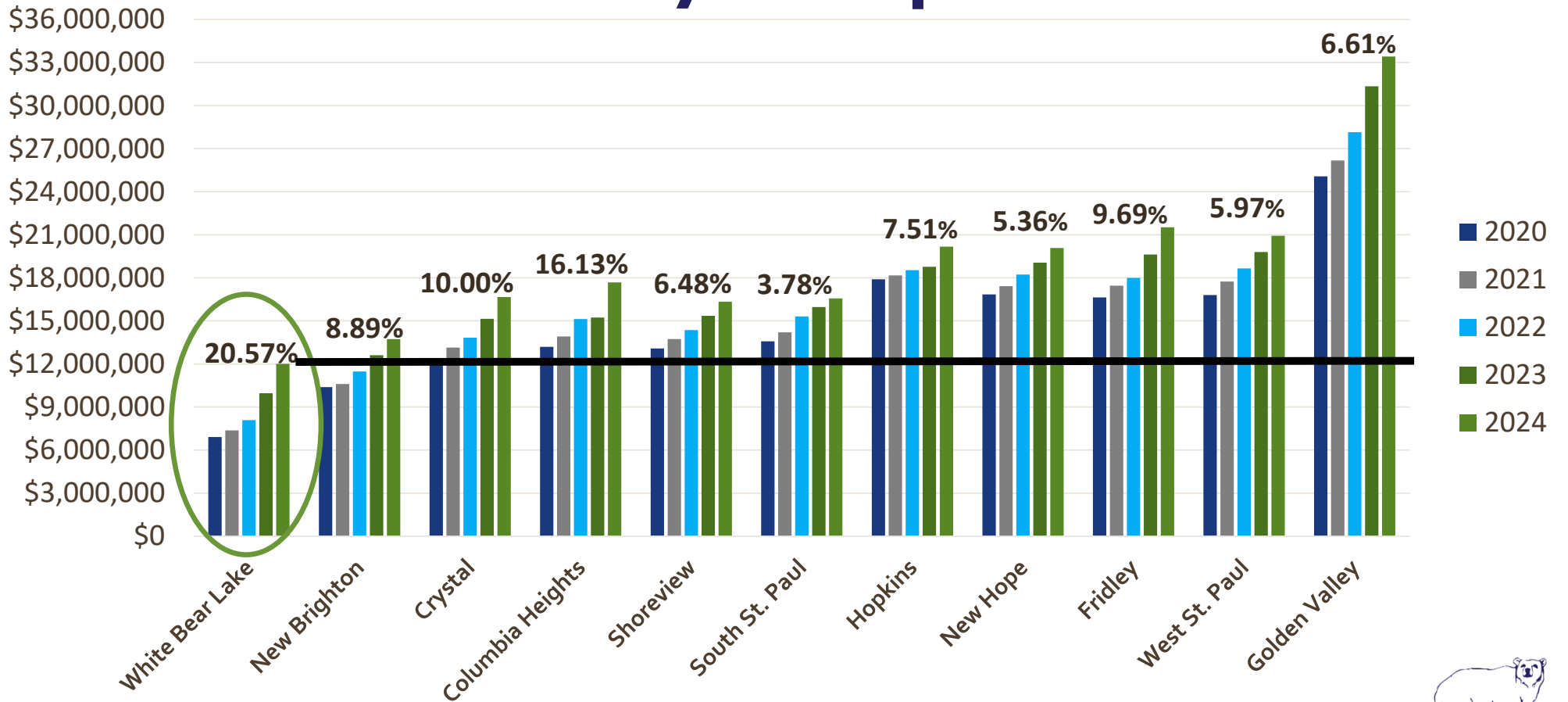
# Revenue Collection Comparisons

City	2022 Population Estimates	2024 Proposed Preliminary General Levy*	2024 LGA	2022 Franchise Taxes	Total	Per Capita
Golden Valley	22,034	\$ 33,122,430	\$ -	\$ 2,296,783	\$ 35,419,213	\$ 1,607
West St. Paul	21,169	20,947,020	1,831,673	3,680,934	26,459,627	1,250
Hopkins	18,608	19,678,939	1,081,012	1,160,763	21,920,714	1,178
South St. Paul	20,489	15,843,509	3,749,065	1,650,589	21,243,163	1,037
New Hope	21,552	19,446,819	1,306,156	959,744	21,712,719	1,007
Fridley	29,962	20,889,526	2,198,947	242,875	23,331,348	779
New Brighton	23,405	13,730,800	779,794	1,224,898	15,735,492	672
Shoreview	27,141	16,705,933	-	1,631,875	18,337,808	676
White Bear Lake	25,067	12,003,000	1,201,009	336,014	13,540,023	540

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



# Tax Levy Comparisons



# Non-tax Supported Funds

- **No impact on tax levy.**
- Water: DNR pumping permits increase, meter reading software, treatment equipment supplies and chemicals. Capital improvement projects: treatment plant main entrance improvements, Well #3 generator, well rehabilitation.
- Surface Water: East Goose Lake Adaptive Lake Management, raingarden installation / storm water system replacements, Matoska Park raingarden outfall, Lambert sub-watershed, Phase 2 restoration work at Rotary Park
- ARPA: General Fund operation support of fire / ambulance activities, City Hall window replacement, City Hall work space renovation.
- Municipal Building: City Hall window replacement, final expenditures for public safety facility renovation and expansion project.



# Non-tax Supported Funds Cont.

- **No impact on tax levy.**
- Park Improvement: Lakewood Hills Park connection and paving of trails
- Pavement Management: residential street improvement project, improvements to three downtown parking lots, crack sealing, street seal coating, other parking lots, maintenance for streets, sidewalks, and trails
- Economic Development: County Road E corridor development initiatives, completion of the zoning code update, monument signage
- Sewer: The most significant expenditures in this budget are Met Council's ongoing wastewater service fee to operate and maintain the wastewater collection and treatment system for the metro area and equipment replacements and infrastructure projects.
- Addition of one communications specialist position – effective July 1, 2024



# Non-tax Supported Funds Cont.

- **No impact on tax levy.**
- Equipment Acquisition Fund
  - Fleet replacements for Police (4), Fire (1), Streets (2) and Parks (1)
  - Police squad equipment replacements (computers, radios, cameras, etc.)
  - Fire self-contained breathing apparatus filling compressor replacement
  - Ambulance replacement
  - Maintenance equipment replacements for the Streets and Parks activities
  - Public safety facility fitness room equipment replacement
  - Earmarking for Finance software replacement



# 2023 Revised General Fund Budget

- Adopted budget planned for a deficit of \$670,021
  - Using unrestricted surplus cash to offset the difference
- Revised budget shows surplus cash is not needed
  - Multiple position vacancies
  - Higher year-to-date revenues
- Preliminary revised budget anticipates a surplus of \$76,991
  - A financial success
  - Several departments have been significantly under staffed in 2023



# Property Tax Assistance Cont.

- **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

- **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 2024 budget and 2023 revising budget
- Resolution adopting the 2023 tax levy for taxes collectable in 2024
- Resolution committing fund balances for specific purposes

