

City of Northfield 2024 Preliminary Levy and Budget Alternatives October 10, 2023

## 2024-2025 Preliminary Budget & Levy

#### Agenda

- Preliminary Levy Recap
- 2. Preliminary Levy Peer Comparisons
- 3. Alternative Levy Options
- 4. Long Range Planning projections
- 5. Budget Timeline/Next Steps

## **Budget Timeline 2023**

• The City budget is a 6 month planning process General Fund expense will need to adjust to balance budget at Council discusses adjustments to preliminary levy Preliminary Levy amount previously set in September 12/5 8/15 - 9/19 9/19 - 12/5 5/31 - 8/15 Council **Approves** Staff develops initial Staff adjusts Council reviews requested budgets budgets as

directed

Key Dates in the planning process

7/18/23 9/19/23 9/19/23 12/5/23 12/5/22 6/6/23 First Council Council adopts Council Council Public **ABDO Presents Budget Work** preliminary budget Adopts 2024 **Adopts Final** & levy **Utility Rates Budget & Levy** Session

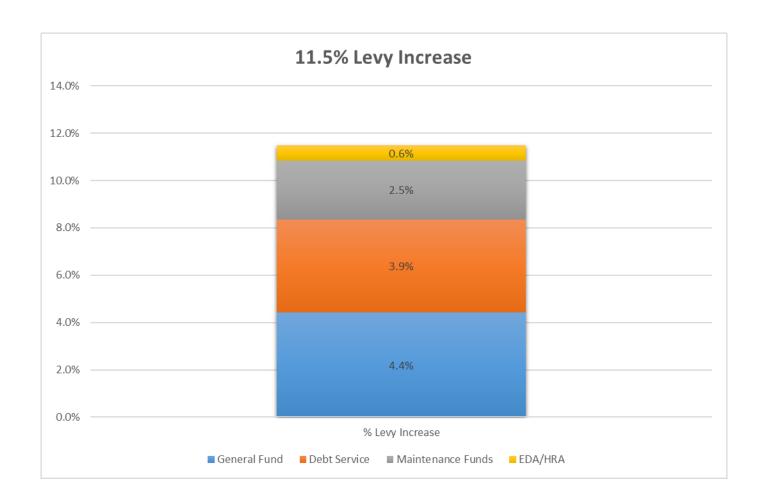
**Budget &** 

Levy

#### Preliminary Budget & Levy 2024 Recap

- Proposed Total Budget All Funds \$= \$41.7M
  - General Fund, EDA and HRA = \$19,397,858
- \$15,661,510 Adopted Preliminary Property Tax Levy
  - 2.09% tax rate increase
  - \$1,613,388 total levy increase, +11.5%
  - \$325K home taxes increase total of \$66 or \$5.50/month note: assumes same valuation from 2023-2024 (Rice & Dakota County set individual property values and hold Spring public meetings)
- Setting the Preliminary Levy is setting a maximum not to exceed dollar amount
  - The Preliminary Levy will be reflected on tax statements in November
  - Final levy in December can go down, but cannot go up

## **Levy Increase**



# Preliminary Budget & Levy Highlight Recap

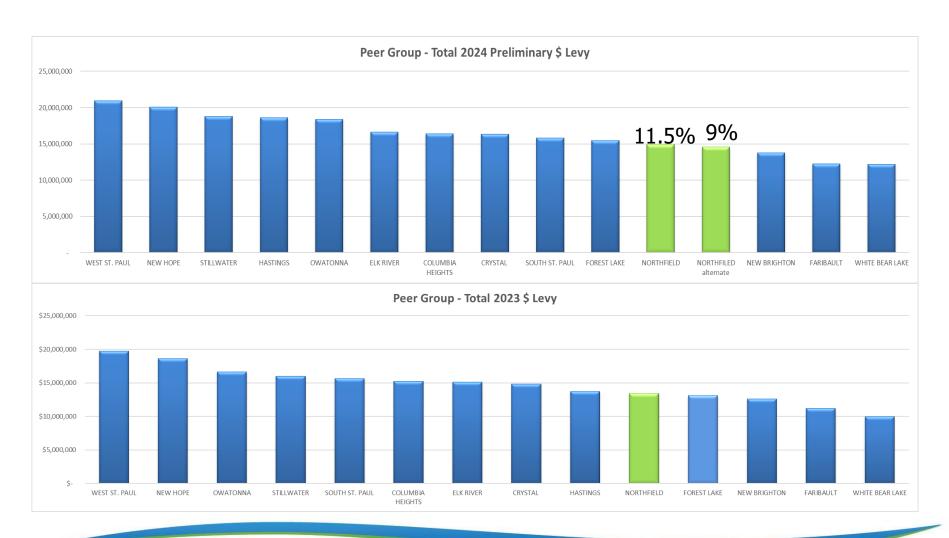
- Debt portion of levy increase is legally committed repayment and cannot change 3.9%
- General Fund (65% personnel driven, rates set through labor contracts through 2024) 4.4%
  - Would have to cut positions, can't change rates
  - Maintain minimum City reserve policy above 50% target
    - As budget grows, required reserve level also grows
- Capital Maintenance Fund increase 2.5% phased plan to meet unfunded needs (vehicles, facilities, parks)
- EDA/HRA Fund increase 0.6%

## **Budget Highlight Recap**

- Recognize inflationary pressures on operations
  - The city is feeling the same inflationary pressures on costs as other organizations & individuals
    - Vehicle replacement costs are up considerably
    - Building maintenance
    - Gas, Electric

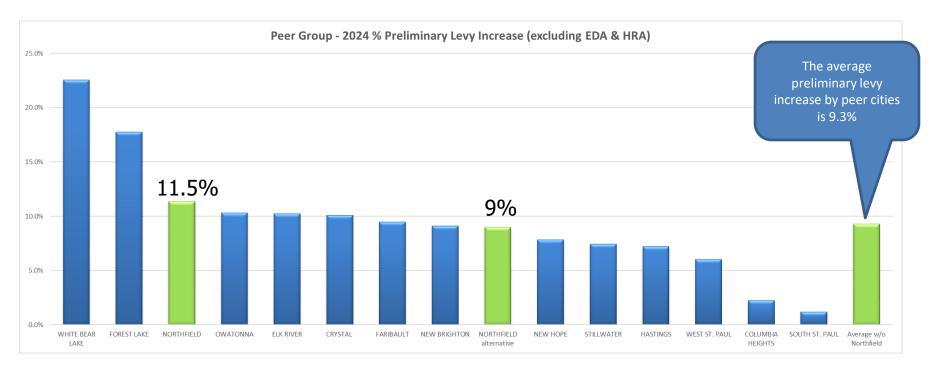
### **Key Ratios – Peer Comparison**

#### **UPDATED**



### **Key Ratios – Peer Comparison**

#### **UPDATED**



With an option to amend the tax levy down \$350,000 to \$15,311,510 (a +9% increase) we would be below the average increase amongst peers.

## **2024 Levy Alternatives**

#### **Levy Alternatives**

- 1. Preliminary Levy at 11.5% Stay As-Is
- 2. Alternative Levy at 9.0%, reserves (carryover), public safety state assistance & expense adjustments
- 3. Additional alternative expense reduction options
- 4. Alternative Levy at 9.0%, (different items) not recommended Do not increase Capital Maintenance Funds 2.5%
- 5. Alternative Levy at 8.4%, not recommended

  Do not increase Capital Maintenance Funds/EDA/HRA levies 3.1%

#### 2024 Levy Alternative 1

- \$15,661,510 Adopted Preliminary Property
   Tax Levy
  - 2.09% tax rate increase
  - \$1,613,388 total levy increase, +11.5%
- No adjustments to the preliminary budget and levy

#### **General Fund Revenue**

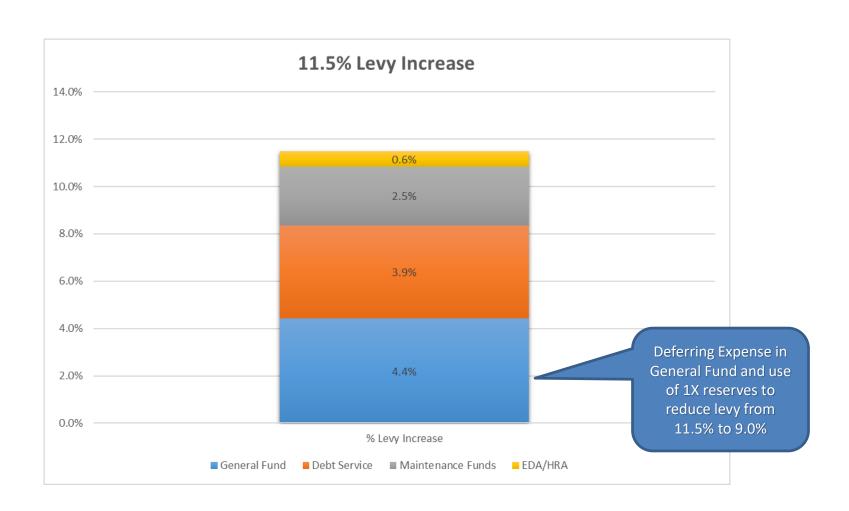
- Explore Other Revenue Opportunities Exploring (2025 beyond mainly):
  - > Telecommunication funding MACTA policy
  - > Park dedication formula review
  - Exploring local option sales tax for parks (2026 moratorium)
  - Building permit fee adjustments (fixed permits)
  - Rental licensing fees (reviewing 2024)
  - > Air B&B Licensing (ordinance underway) CVB mainly impacted
  - Gas/Electric Franchise Adjustments (streets/debt)
- City does not control the intergovernmental revenue
- Licenses/Permits/Other Charges only control rates, not demand for licenses/permits
- Reserves: Caution on maintaining Reserve levels
- Property Tax is the primary tool for cities to balance the budget

#### 2024 Levy Alternative 2

- \$15,311,510 Property Tax Levy
  - .557% tax rate increase
  - \$1,613,388 total levy increase, +9.0%
- Adjustments from Preliminary Levy to get to reduced levy by \$350,000

Note: Combination of reduction of expenses, reserve funds (e.g. strategic plan prep, emerging leaders program (1-year off), eliminate intersection control study (tentative hwy 3), comp plan carryover funds from 2023, arbitration funding, public safety State assistance)

## **Levy Increase**



#### 2024 Levy Alternative 3 – added options

Fireworks \$17,000
Park Planning – Sechler Master Plan \$50,000
Park Planning – Referendum Related \$30,000

Need in preparation of local option sales tax request, deferred to 2025 If unused, excess funds carryover 2025 could go to capital maintenance funds or carryover to 2025 or other for this purpose on parks planning. Also will be looking at an amendment to the reserve policy for 2024 to create a framework of prioritization.

Northfield Historical Society	\$36,000
Age Friendly Northfield	\$35,000
Soccer Field Mowing	\$25,000
Admin Services Org Study	\$45,000
Vacancy in Assistant City Planner	\$?
FiftyNorth Recreation Funding	\$?
Need to research and likely would review for 2025	at earliest

<sup>\*</sup>Other ideas from Council OR Direct additional reductions or revenues for further review.

#### **Alternative 4**

Levy reduced to 9.0% with options below only (not recommended)

- Do not increase Capital Maintenance Funds
  - Reduce levy 2.5% and defer maintenance/replacement of existing infrastructure
    - Parks 1%, \$140,000
    - Facilities 1%, \$140,000
    - Vehicle and Equipment 0.5%, \$70,000

#### **Alternative 5**

Levy reduced to 8.4% with options below only (not recommended)

- Do not increase Capital Maintenance Funds
  - Reduce levy 2.5% and defer maintenance/replacement of existing infrastructure
    - Parks 1%, \$140,000
    - Facilities 1%, \$140,000
    - Vehicle and Equipment 0.5%, \$70,000

#### **AND**

- Also, do not increase EDA or HRA levies, maintain at current level
  - Reduce levy 0.6%
    - EDA 0.3%, \$44,227
    - HRA 0.3%, \$45,130

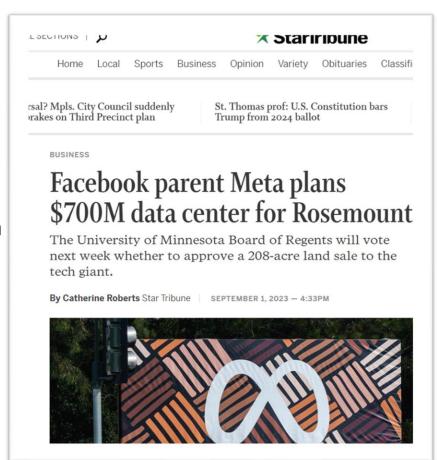
## Economic Development Authority (EDA) Housing & Redevelopment Authority (HRA)

- Levy increases with estimated market value
  - Based on prior year increase in EMV from Rice and Dakota Counties
  - 0.6% increase to Citywide levy, 13.9% increase in individual levies
  - EDA (.01813% of EMV max)
  - HRA (.01850% of EMV max)
  - City has historically levied the maximum
    - Council could choose a lower amount to reduce levy
    - Staff not recommended as funding supports strategic priorities in economic vitality (that can lead to reduced tax rates) and quality housing efforts are intended to assist in workforce housing & improvement of substandard conditions

	2021	2022		2023	20	24 proposed	2025 proposed		
EDA	\$ 272,985	\$	300,596	\$ 318,909	\$	363,136	\$	363,136	
HRA	\$ 278,204	\$	306,731	\$ 325,417	\$	370,547	\$	370,547	
\$ Change	\$ 21,199.00	\$	56,138.00	\$ 36,999.00	\$	89,357.00	\$	-	
% Change	4.0%		10.2%	6.1%		13.9%		0.0%	

## **Tax Base Growth Strategies**

- Although Northfield's tax base is low, Northfield is well positioned for new growth opportunities that meet city plans and goals
- If one new tax payer, similar to the proposed Rosemount Data Center, would reduce city portion of residential burden by 26%
- Includes net zero emissions, 100% renewable energy, outdoor air solutions to increase water efficiency, etc.



## 11.5% Levy Impact

			TA	X IMPACT	'AN	ALYSIS - CO	N	STANT MARK	ET۱	VALUE					
	E	stimated	Mark	cet Value		Taxable		Net Tax		Current	Pı	roposed	Monthly	P	roposed
Type of Property	Ma	rket Value	Exc	clusion	Ma	arket Value		Capacity	20	23 City Tax	Tax	Increase*	Increase	202	24 City Tax
	\$	200,000	\$	19,240	\$	180,760	\$	1,808	\$	1,186.76	\$	37.76	3.15	\$	1,224.52
		250,000		14,740		235,260		2,353		1,544.58		49.14	4.10		1,593.72
Residential		300,000		10,240		289,760		2,898		1,902.39		60.53	5.04		1,962.92
Homestead		317,300		8,683		308,617		3,086		2,026.19		64.47	5.37		2,090.66
		350,000		5,740		344,260		3,443		2,260.20		71.91	5.99		2,332.12
		382,100		2,851		379,249		3,792		2,489.92		79.22	6.60		2,569.14
		400,000		1,240		398,760		3,988		2,618.02		83.29	6.94		2,701.31
		450,000		-		450,000		4,500		2,954.43		94.00	7.83		3,048.43
	\$	500,000	\$	-	\$	500,000	\$	9,250	\$	6,073.00	\$	193.22	16.10	\$	6,266.21
Commercial/Industrial		1,000,000		-		1,000,000		19,250		12,638.40		402.10	33.51		13,040.50
		5,000,000		-		5,000,000		99,250		65,161.60		2,073.18	172.77		67,234.78

		TAX IMP	ACT AN	VALYSIS	W۱٦	TH PROPER	TΥΙ	MARKET VAL	.UE	INCREASE (	OF 89	%			
	E	stimated	Marke	et Value	Taxable			Net Tax		Current	Р	roposed	Monthly	Р	roposed
Type of Property	Ma	rket Value	Exc	lusion	Ma	arket Value		Capacity	20	23 City Tax	Tax	Increase*	Increase	202	24 City Tax
	\$	216,100	\$	17,791	\$	198,309	\$	1,983	\$	1,186.76	\$	156.64	13.05	\$	1,343.40
		270,125		12,929		257,196		2,572		1,544.58		197.74	16.48		1,742.32
Residential		324,150		8,067		316,084		3,161		1,902.39		238.85	19.90		2,141.24
Homestead		342,843		6,384		336,458		3,365		2,026.19		253.07	21.09		2,279.27
		378,175		3,204		374,971		3,750		2,260.20		279.95	23.33		2,540.16
		412,859		83		412,776		4,128		2,489.92		306.34	25.53		2,796.26
		432,200		-		432,200		4,322		2,618.02		309.83	25.82		2,927.85
		486,225		-		486,225		4,862		2,954.43		339.40	28.28		3,293.83
	\$	540,250	\$	-	\$	540,250	\$	10,055	\$	6,073.00	\$	738.55	61.55	\$	6,811.54
Commercial/Industrial		1,080,500		-		1,080,500		20,860		12,638.40		1,492.76	124.40		14,131.16
		5,402,500		-		5,402,500		107,300		65,161.60		7,526.48	627.21		72,688.07

## 9.0% Levy Impact

			TAX	X IMPACT	AN	ALYSIS - CC	N	STANT MARK	ET	VALUE					
	E	stimated	Market Value Taxable				Net Tax C		Current	Pro	posed	Monthly	Р	roposed	
Type of Property	Ma	rket Value	Exc	clusion	Ma	arket Value		Capacity	20	23 City Tax	Tax I	ncrease*	Increase	202	4 City Tax
	\$	200,000	\$	19,240	\$	180,760	\$	1,808	\$	1,186.76	\$	10.08	0.84	\$	1,196.84
		250,000		14,740		235,260		2,353		1,544.58		13.11	1.09		1,557.69
Residential		300,000		10,240		289,760		2,898		1,902.39		16.15	1.35		1,918.54
Homestead		317,300		8,683		308,617		3,086		2,026.19		17.20	1.43		2,043.40
		350,000		5,740		344,260		3,443		2,260.20		19.19	1.60		2,279.40
		382,100		2,851		379,249		3,792		2,489.92		21.14	1.76		2,511.06
		400,000		1,240		398,760		3,988		2,618.02		22.23	1.85		2,640.25
		450,000		-		450,000		4,500		2,954.43		25.08	2.09		2,979.51
	\$	500,000	\$	-	\$	500,000	\$	9,250	\$	6,073.00	\$	51.56	4.30	\$	6,124.56
Commercial/Industrial		1,000,000		-		1,000,000		19,250		12,638.40		107.31	8.94		12,745.70
		5,000,000		-		5,000,000		99,250		65,161.60		553.26	46.10		65,714.85

		TAX IMP	ACT A	NALYSIS	WI٦	TH PROPERT	TY I	MARKET VAL	.UE	INCREASE O	OF 89	<b>%</b>			
	E	stimated	Mark	et Value	Taxable			Net Tax		Current	Pı	roposed	Monthly	Р	roposed
Type of Property	Ma	rket Value	Exc	clusion	Ma	arket Value		Capacity	20	23 City Tax	Tax	Increase*	Increase	202	24 City Tax
	\$	216,100	\$	17,791	\$	198,309	\$	1,983	\$	1,186.76	\$	126.27	10.52	\$	1,313.03
		270,125		12,929		257,196		2,572		1,544.58		158.36	13.20		1,702.93
Residential		324,150		8,067		316,084		3,161		1,902.39		190.44	15.87		2,092.83
Homestead		342,843		6,384		336,458		3,365		2,026.19		201.55	16.80		2,227.74
		378,175		3,204		374,971		3,750		2,260.20		222.53	18.54		2,482.74
		412,859		83		412,776		4,128		2,489.92		243.13	20.26		2,733.05
		432,200		-		432,200		4,322		2,618.02		243.64	20.30		2,861.66
		486,225		-		486,225		4,862		2,954.43		264.94	22.08		3,219.37
	\$	540,250	\$	-	\$	540,250	\$	10,055	\$	6,073.00	\$	584.57	48.71	\$	6,657.56
Commercial/Industrial		1,080,500		-		1,080,500		20,860		12,638.40		1,173.31	97.78		13,811.71
		5,402,500		-		5,402,500		107,300		65,161.60		5,883.28	490.27		71,044.87

#### Full CIP/CEP plus Phase In Capital Maintenance Levies

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Existing Debt Levies (2013-2022 Bond Issues)	2,586,725	2,259,592	2,209,592	2,114,592	2,099,592	2,044,592	1,800,092	1,555,000	1,165,000	970,000	580,000
2023 Levy Supported Bonds - 15-yr Levy	-	671,453	770,438	777,000	777,000	770,700	768,863	771,225	772,275	772,013	775,688
2024 Street Reconstruction Projects - 20-yr Levy	-	-	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700
2024 Transit Hub Project - 10-yr Levy	-	-	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554
2024 Bridge Square Street Recon Project - 10-yr Levy	-	-	631,346	631,346	631,346	631,346	631,346	631,346	631,346	631,346	631,346
2024 New Ice Arena (City Levy Share 20-yrs)	-	-	722,600	722,600	722,600	722,600	722,600	722,600	722,600	722,600	722,600
2024 - 2028 Equipment Debt - 10-yr Levies	-	-	-	145,400	273,700	273,700	273,700	374,800	374,800	374,800	374,800
2025 - 2028 Street Reconstruction - 15-yr Levies	-	-	-	330,300	666,300	812,300	976,400	976,400	976,400	976,400	976,400
Subtotal Debt Levies	2,586,725	2,931,045	5,152,230	5,539,492	5,988,792	6,073,492	5,991,255	5,849,625	5,460,675	5,265,413	4,879,088
NCRC Operations Levy	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156
Park Fund Levy	163,863	303,863	444,344	584,825	614,066	644,770	677,008	710,858	746,401	783,721	822,908
City Facilities Fund Levy	104,775	244,775	257,014	269,864	283,358	297,526	312,402	328,022	344,423	361,644	379,726
Vehicle & Equipment Replacement Levy	354,624	424,624	494,864	519,607	545,588	572,867	601,510	631,586	663,165	696,323	731,140
Subtotal Capital Maintenance Fund Levies	818,418	1,168,418	1,391,378	1,569,453	1,638,167	1,710,318	1,786,076	1,865,622	1,949,145	2,036,845	2,128,929
TOTAL DEBT & CAPITAL MAINTENANCE LEVIES	3,405,143	4,099,463	6,543,607	7,108,945	7,626,959	7,783,810	7,777,331	7,715,247	7,409,820	7,302,257	7,008,017
Percent Change From Prior Year:	12.6%	20.4%	59.6%	8.6%	7.3%	2.1%	-0.1%	-0.8%	-4.0%	-1.5%	-4.0%
FORECASTED CITY GENERAL LEVY (5% /Yr)	9,998,653	10,474,317	10,998,033	11,547,934	12,125,331	12,731,598	13,368,178	14,036,587	14,738,416	15,475,337	16,249,104
FORECASTED CITY GENERAL LEVY (3/6/11)	318,909	363,136	392,533	412,160	432,768	454,406	477,127	500,983	526,032	552,334	579,950
FORECASTED EDA LEVY FORECASTED HRA LEVY	318,909	363,136	392,533 400,544	412,160 420,571	432,768 441,600	454,406 463,680	477,127 486,864	500,983 511,207	526,032 536,767	552,334 563,606	579,950 591,786
FORECASTED FIRM LEVT	323,417	3/0,34/	400,544	420,371	441,000	403,060	400,004	311,207	330,767	303,000	391,760
TOTAL (ALL LEVIES)	14,048,122	15,307,463	18,334,717	19,489,610	20,626,658	21,433,494	22,109,499	22,764,024	23,211,036	23,893,534	24,428,857
Percent Increase From Prior Year:	17%	9%	20%	6%	6%	4%	3%	3%	2%	3%	2%
Average 5-yr Forecasted Total Lev	ies Increase:			9%							
											ļ
Forecasted City Tax Rate:	62.643%	63.038%	72.262%	73.196%	73.804%	73.005%	71.664%	70.209%	68.084%	66.684%	64.846%
Forecasted EDA Tax Rate:	1.490%	1.571%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%
Forecasted HRA Tax Rate: _	1.521%	1.603%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%
Forecasted Total Tax Rate:	65.654%	66.211%	75.529%	76.464%	77.071%	76.272%	74.931%	73.476%	71.351%	69.951%	68.113%
	Change:	0.557%	9.318%	0.934%	0.607%	-0.799%	-1.341%	-1.456%	-2.125%	-1.400%	-1.838%
		1									ı
Sample Property Tax Bill (All Levies)		1									
\$325,000* Residential Homestead											
ψ323,000 Residential Homestead	2,081	2,099	2,448	2,533	2,610	2,641	2,652	2,658	2,638	2,643	2,630

## Full CIP/CEP plus Phase In Capital Maintenance Levies Ice Arena Project as Maintenance Upgrade only

	i	1									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Existing Debt Levies (2013-2022 Bond Issues)	2,586,725	2,259,592	2,209,592	2,114,592	2,099,592	2,044,592	1,800,092	1,555,000	1,165,000	970,000	580,000
2023 Levy Supported Bonds - 15-yr Levy	-	<i>671,4</i> 53	770,438	777,000	777,000	770,700	768,863	771,225	772,275	772,013	775,688
2024 Street Reconstruction Projects - 20-yr Levy	-	-	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700
2024 Transit Hub Project - 10-yr Levy	-	-	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554
2024 Bridge Square Street Recon Project - 10-yr Levy	-	-	631,346	631,346	631,346	631,346	631,346	631,346	631,346	631,346	631,346
2024 Remodel Ice Arena (City Levy 20-yrs)	-	-	309,000	309,000	309,000	309,000	309,000	309,000	309,000	309,000	309,000
2024 - 2028 Equipment Debt - 10-yr Levies	-	-	-	145,400	273,700	273,700	273,700	374,800	374,800	374,800	374,800
2025 - 2028 Street Reconstruction - 15-yr Levies	-	-	-	330,300	666,300	812,300	976,400	976,400	976,400	976,400	976,400
Subtotal Debt Levies	2,586,725	2,931,045	4,738,630	5,125,892	5,575,192	5,659,892	5,577,655	5,436,025	5,047,075	4,851,813	4,465,488
NCRC Operations Levy	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156
Park Fund Levy	163,863	303,863	444,344	584,825	614,066	644,770	677,008	710,858	746,401	783,721	822,908
City Facilities Fund Levy	104,775	244,775	257,014	269,864	283,358	297,526	312,402	328,022	344,423	361,644	379,726
Vehicle & Equipment Replacement Levy	354,624	424,624	494,864	519,607	545,588	572,867	601,510	631,586	663,165	696,323	731,140
Subtotal Capital Maintenance Fund Levies	818,418	1,168,418	1,391,378	1,569,453	1,638,167	1,710,318	1,786,076	1,865,622	1,949,145	2,036,845	2,128,929
TOTAL DEBT & CAPITAL MAINTENANCE LEVIES	3,405,143	4,099,463	6,130,007	6,695,345	7,213,359	7,370,210	7,363,731	7,301,647	6,996,220	6,888,657	6,594,417
Percent Change From Prior Year:	12.6%	20.4%	49.5%	9.2%	7.7%	2.2%	-0.1%	-0.8%	-4.2%	-1.5%	-4.3%
FORECASTED CITY GENERAL LEVY (5% /Yr)	9,998,653	10,474,317	10,998,033	11,547,934	12,125,331	12,731,598	13,368,178	14,036,587	14,738,416	15,475,337	16,249,104
FORECASTED CITT GENERAL LEVT (3%711)	318,909	363,136	392,533	412,160	432,768	454,406	477,127	500,983	526,032	552,334	579,950
FORECASTED EDA LEVY	325,417	370,547	400,544	420,571	432,700	463,680	486,864	511,207	536,767	563,606	591,786
FORECASTED HRA LEVT	323,417	370,347	400,544	420,571	441,000	403,000	400,004	311,207	550,767	303,000	391,760
TOTAL (ALL LEVIES)	14,048,122	15,307,463	17,921,117	19,076,010	20,213,058	21,019,894	21,695,899	22,350,424	22,797,436	23,479,934	24,015,257
Percent Increase From Prior Year:	17%	9%	17%	6%	6%	4%	3%	3%	2%	3%	2%
Average 5-yr Forecasted Total Lev	ies Increase:			8%							
Forecasted City Tax Rate:	62.643%	63.038%	70.558%	71.574%	72.259%	71.533%	70.262%	68.874%	66.812%	65.473%	63.693%
Forecasted EDA Tax Rate:	1.490%	1.571%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%
Forecasted HRA Tax Rate: _	1.521%	1.603%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%
Forecasted Total Tax Rate:	65.654%		73.825%	74.841%	75.526%	74.800%	73.529%	72.141%	70.079%	68.740%	66.960%
	Change:	0.557%	7.614%	1.015%	0.685%	-0.725%	-1.271%	-1.389%	-2.061%	-1.339%	-1.781%
Sample Property Tax Bill (All Levies)											
\$325,000* Residential Homestead	2,081	2,099	2,393	2,480	2,558	2,590	2,602	2,609	2,591	2,597	2,585
*Appreciating 2% per vear											

## Full CIP/CEP plus Phase In Capital Maintenance Levies Delay Bridge Square to 2025

	i	ii.									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Existing Debt Levies (2013-2022 Bond Issues)	2,586,725	2,259,592	2,209,592	2,114,592	2,099,592	2,044,592	1,800,092	1,555,000	1,165,000	970,000	580,000
2023 Levy Supported Bonds - 15-yr Levy	-	671,453	770,438	777,000	777,000	770,700	768,863	771,225	772,275	772,013	775,688
2024 Street Reconstruction Projects - 20-yr Levy	-	-	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700
2024 Transit Hub Project - 10-yr Levy	-	-	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554
2025 Bridge Square Street Recon Project - 10-yr Levy	-	-	-	631,346	631,346	631,346	631,346	631,346	631,346	631,346	631,346
2024 New Ice Arena (City Levy Share 20-yrs)	-	-	722,600	722,600	722,600	722,600	722,600	722,600	722,600	722,600	722,600
2024 - 2028 Equipment Debt - 10-yr Levies	-	-	-	145,400	273,700	273,700	273,700	374,800	374,800	374,800	374,800
2025 - 2028 Street Reconstruction - 15-yr Levies	-	-	-	330,300	666,300	812,300	976,400	976,400	976,400	976,400	976,400
Subtotal Debt Levies	2,586,725	2,931,045	4,520,884	5,539,492	5,988,792	6,073,492	5,991,255	5,849,625	5,460,675	5,265,413	4,879,088
NCRC Operations Levy	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156
Park Fund Levy	163,863	303,863	444,344	584,825	614,066	644,770	677,008	710,858	746,401	783,721	822,908
City Facilities Fund Levy	104,775	244,775	257,014	269,864	283,358	297,526	312,402	328,022	344,423	361,644	379,726
Vehicle & Equipment Replacement Levy	354,624	424,624	494,864	519,607	545,588	572,867	601,510	631,586	663,165	696,323	731,140
Subtotal Capital Maintenance Fund Levies	818,418	1,168,418	1,391,378	1,569,453	1,638,167	1,710,318	1,786,076	1,865,622	1,949,145	2,036,845	2,128,929
TOTAL DEBT & CAPITAL MAINTENANCE LEVIES	3,405,143	4,099,463	5,912,261	7,108,945	7,626,959	7,783,810	7,777,331	7,715,247	7,409,820	7,302,257	7,008,017
Percent Change From Prior Year:	12.6%	20.4%	44.2%	20.2%	7.3%	2.1%	-0.1%	-0.8%	-4.0%	-1.5%	-4.0%
FORECASTED CITY GENERAL LEVY (5% /Yr)	9,998,653	10,474,317	10,998,033	11,547,934	12,125,331	12,731,598	13,368,178	14,036,587	14,738,416	15,475,337	16,249,104
FORECASTED EDA LEVY	318,909	363,136	392,533	412,160	432,768	454,406	477,127	500,983	526,032	552,334	579,950
FORECASTED HRA LEVY	325,417	370,547	400,544	420,571	441,600	463,680	486,864	511,207	536,767	563,606	591,786
TOTAL (ALL LEVIES)	14,048,122	15,307,463	17,703,371	19,489,610	20,626,658	21,433,494	22,109,499	22,764,024	23,211,036	23,893,534	24,428,857
Percent Increase From Prior Year:	17%	9%	16%	10%	6%	4%	3%	3%	2%	3%	2%
Average 5-yr Forecasted Total Lev	/ies Increase:			9%							
Forecasted City Tax Rate:	62.643%	63.038%	69.661%	73.196%	73.804%	73.005%	71.664%	70.209%	68.084%	66.684%	64.846%
Forecasted EDA Tax Rate:	1.490%	1.571%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%	1.617%
Forecasted HRA Tax Rate: _	1.521%	1.603%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%	1.650%
Forecasted Total Tax Rate:	65.654%	66.211%	72.928%	76.464%	77.071%	76.272%	74.931%	73.476%	71.351%	69.951%	68.113%
	Change:	0.557%	6.717%	3.535%	0.607%	-0.799%	-1.341%	-1.456%	-2.125%	-1.400%	-1.838%
Sample Property Tax Bill (All Levies)											
\$325,000* Residential Homestead *Appreciating 2% per year	2,081	2,099	2,364	2,533	2,610	2,641	2,652	2,658	2,638	2,643	2,630

#### Full CIP/CEP plus Phase In Capital Maintenance Levies

#### Ice Arena Maintenance Upgrade only and Delay Bridge Square

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Existing Debt Levies (2013-2022 Bond Issues)	2,586,725	2,259,592	2,209,592	2,114,592	2,099,592	2,044,592	1,800,092	1,555,000	1,165,000	970,000	580,000
2023 Levy Supported Bonds - 15-yr Levy	-	671,453	770,438	777,000	777,000	770,700	768,863	771,225	772,275	772,013	775,688
2024 Street Reconstruction Projects - 20-yr Levy	-	-	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700	750,700
2024 Transit Hub Project - 10-yr Levy	-	-	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554	67,554
2025 Bridge Square Street Recon Project - 10-yr Levy	-	-	-	631,346	631,346	631,346	631,346	631,346	631,346	631,346	631,346
2024 Remodel Ice Arena (City Levy 20-yrs)	-	-	309,000	309,000	309,000	309,000	309,000	309,000	309,000	309,000	309,000
2024 - 2028 Equipment Debt - 10-yr Levies	-	-	-	145,400	273,700	273,700	273,700	374,800	374,800	374,800	374,800
2025 - 2028 Street Reconstruction - 15-yr Levies	-	-	-	330,300	666,300	812,300	976,400	976,400	976,400	976,400	976,400
Subtotal Debt Levies	2,586,725	2,931,045	4,107,284	5,125,892	5,575,192	5,659,892	5,577,655	5,436,025	5,047,075	4,851,813	4,465,488
NCRC Operations Levy	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156	195,156
Park Fund Levy	163,863	303,863	444,344	584,825	614,066	644,770	677,008	710,858	746,401	783,721	822,908
City Facilities Fund Levy	104,775	244,775	257,014	269,864	283,358	297,526	312,402	328,022	344,423	361,644	379,726
Vehicle & Equipment Replacement Levy	354,624	424,624	494,864	519,607	545,588	572,867	601,510	631,586	663,165	696,323	731,140
Subtotal Capital Maintenance Fund Levies	818,418	1,168,418	1,391,378	1,569,453	1,638,167	1,710,318	1,786,076	1,865,622	1,949,145	2,036,845	2,128,929
TOTAL DEBT & CAPITAL MAINTENANCE LEVIES	3,405,143	4,099,463	5,498,661	6,695,345	7,213,359	7,370,210	7,363,731	7,301,647	6,996,220	6,888,657	6,594,417
Percent Change From Prior Year:	12.6%	20.4%	34.1%	21.8%	7.7%	2.2%	-0.1%	-0.8%	-4.2%	-1.5%	-4.3%
FORECASTED CITY GENERAL LEVY (5% /Yr)	9,998,653	10 474 247	10,998,033	11,547,934	12,125,331	12,731,598	13,368,178	14,036,587	14,738,416	15,475,337	16,249,104
		10,474,317									, ,
FORECASTED EDA LEVY FORECASTED HRA LEVY	318,909	363,136	392,533	412,160	432,768	454,406	477,127	500,983	526,032	552,334	579,950
FORECASTED HRA LEVY	325,417	370,547	400,544	420,571	441,600	463,680	486,864	511,207	536,767	563,606	591,786
TOTAL (ALL LEVIES)	14,048,122	45 007 400									
		15,307,463	17,289,771	19,076,010	20,213,058	21,019,894	21,695,899	22,350,424	22,797,436	23,479,934	24,015,257
Percent Increase From Prior Year:	17%	15,307,463 9%	17,289,771 13%	19,076,010 10%	20,213,058 6%	21,019,894 4%	21,695,899 3%	22,350,424 3%	22,797,436 2%	23,479,934 3%	24,015,257 2%
Percent Increase From Prior Year: Average 5-yr Forecasted Total Lev	17%_			, ,							
	17%_			10%							
	17%_			10%							
Average 5-yr Forecasted Total Lev	17%_ ies Increase:	9%	13%	10% 8%	6%	4%	3%	3%	2%	3%	2%
Average 5-yr Forecasted Total Lev Forecasted City Tax Rate:	17% ies Increase: 62.643%	<b>9%</b> 63.038%	13% 67.958%	8% 71.574%	72.259%	71.533%	<b>3%</b> 70.262%	<b>3%</b> 68.874%	<b>2%</b> 66.812%	<b>3%</b> 65.473%	<b>2%</b> 63.693%
Average 5-yr Forecasted Total Lev Forecasted City Tax Rate: Forecasted EDA Tax Rate:	17% ies Increase: 62.643% 1.490%	63.038% 1.571%	67.958% 1.617%	71.574% 1.617%	72.259% 1.617%	71.533% 1.617%	<b>3%</b> 70.262% 1.617%	3% 68.874% 1.617%	<b>2%</b> 66.812% 1.617%	3% 65.473% 1.617%	<b>2%</b> 63.693% 1.617%
Average 5-yr Forecasted Total Lev Forecasted City Tax Rate: Forecasted EDA Tax Rate: Forecasted HRA Tax Rate:	17%_ies Increase: 62.643% 1.490% 1.521%	63.038% 1.571% 1.603%	67.958% 1.617% 1.650%	71.574% 1.617% 1.650%	72.259% 1.617% 1.650%	71.533% 1.617% 1.650%	70.262% 1.617% 1.650%	3% 68.874% 1.617% 1.650%	2% 66.812% 1.617% 1.650%	3% 65.473% 1.617% 1.650%	2% 63.693% 1.617% 1.650%
Average 5-yr Forecasted Total Lev Forecasted City Tax Rate: Forecasted EDA Tax Rate: Forecasted HRA Tax Rate: Forecasted Total Tax Rate:	17%_ies Increase: 62.643% 1.490% 1.521% 65.654%	63.038% 1.571% 1.603% 66.211%	67.958% 1.617% 1.650% 71.225%	71.574% 1.617% 1.650% 74.841%	72.259% 1.617% 1.650% 75.526%	71.533% 1.617% 1.650% 74.800%	70.262% 1.617% 1.650% 73.529%	3% 68.874% 1.617% 1.650% 72.141%	2% 66.812% 1.617% 1.650% 70.079%	3% 65.473% 1.617% 1.650% 68.740%	2% 63.693% 1.617% 1.650% 66.960%
Average 5-yr Forecasted Total Lev Forecasted City Tax Rate: Forecasted EDA Tax Rate: Forecasted HRA Tax Rate:	17%_ies Increase: 62.643% 1.490% 1.521% 65.654%	63.038% 1.571% 1.603% 66.211%	67.958% 1.617% 1.650% 71.225%	71.574% 1.617% 1.650% 74.841%	72.259% 1.617% 1.650% 75.526%	71.533% 1.617% 1.650% 74.800%	70.262% 1.617% 1.650% 73.529%	3% 68.874% 1.617% 1.650% 72.141%	2% 66.812% 1.617% 1.650% 70.079%	3% 65.473% 1.617% 1.650% 68.740%	2% 63.693% 1.617% 1.650% 66.960%

### Other 2025 and Beyond Forecasting

Future to be or could be explored (initial impact & feasibility):

- Revenue Enhancements (prior slides underway)
- Tax Base Growth (updating prior illustrations)
- Expenditure Controls and Cost Shifts
- Service Delivery Changes
- Service Delivery Reductions
- Defer 2025 Street Projects to 2027

## Remaining Budget & Levy TentativeSchedule

#### September

- ✓ September 19<sup>th</sup> adoption of 2024 Preliminary Levy, Budget & Final Budget Hearing Set
  - Final Approved City Property Tax Levy in December can go down,
     but cannot be increased from the Preliminary Levy
- ✓ September 19<sup>th</sup> approve 2024 Utility Rates

#### <u>October</u>

 October 10<sup>th</sup> Budget Worksession – 2024 adjustments and 2025 and beyond and determine recommendation for 2024 preliminary levy & budget

#### **November**

- November 1<sup>st</sup> Communication to Public on 2024 Budget
- Mid-November County mails TNT statements
- November 17<sup>th</sup> Budget Worksession review December 2023 presentation

#### <u>December</u>

- December 5<sup>th</sup> Public Hearing 6:00 p.m. on the 2024 Budget and Tax Levy
- December 5<sup>th</sup> approval of Levy and Budget