



2023-2024 Budget Worksession
September 13th, 2022

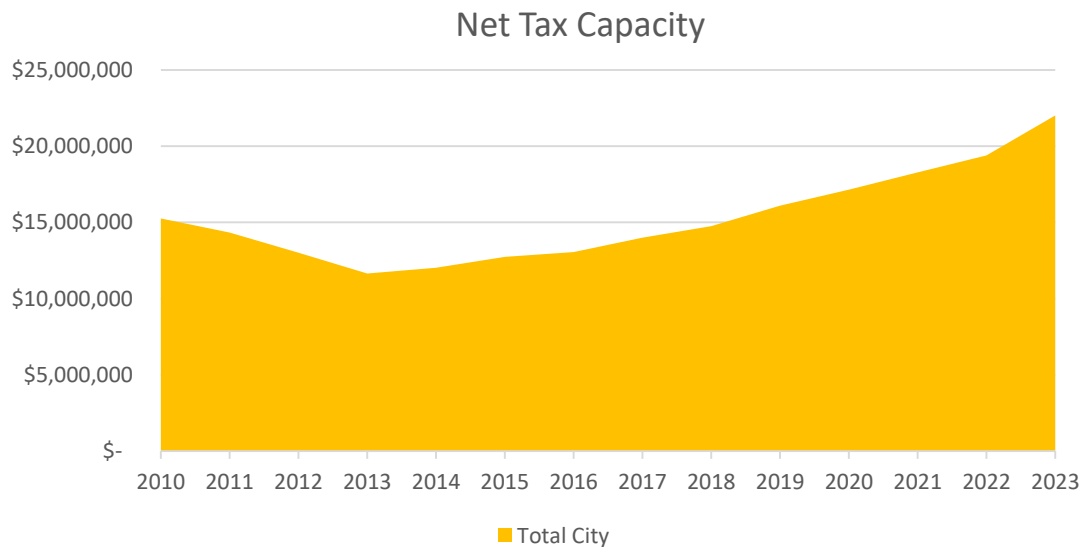
Budget & Levy Scenarios

- 3 Levy Options presented
 - 15.3% preliminary “baseline” w/Police OT
 - 16.5% preliminary w/ Police succession plan
 - 18.5% - preliminary plus Parks, Facilities, or Library increase
 - Open to other options
- This is only setting a maximum. Final levy can go down, but not up

Tax Base Changes

Preliminary estimates from Rice County indicate a 15.0% increase in 2022 net tax capacity

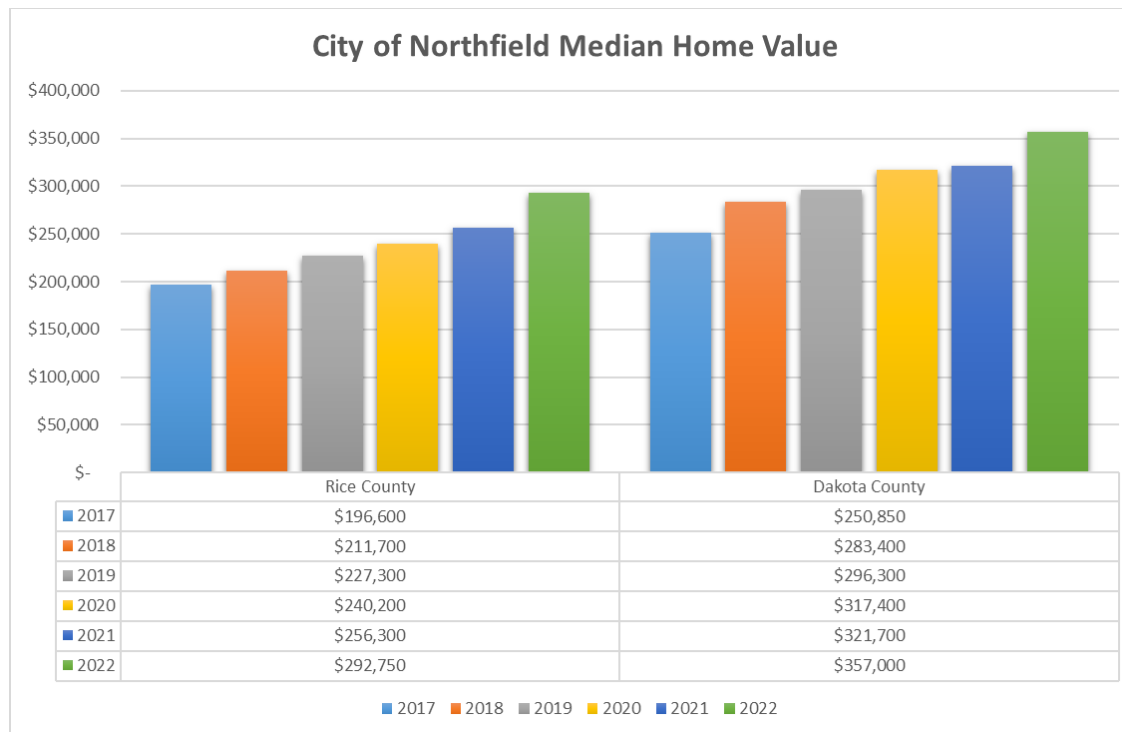
- 11.2% of the increase in net tax capacity is related to new construction
- Net tax capacity calculated from a 14.4% increase in estimated market value and 15.6% increase in taxable market value



Net Tax Capacity increase is estimated at 15.0% vs 6.1% growth last year

Northfield Median Home Value

- In 2022, Median Home Values increased
 - 14.2% in Rice County (vs 6.7% increase in 2021)
 - 11.0% in Dakota County (vs 1.4% increase in 2021)



City-wide Levy

City of Northfield Total Levy

	Actual 2020	Actual 2021	Actual 2022	Proposed 2023
For Operations				
General Fund	7,235,479	7,374,997	8,427,517	9,938,831
NCRC Operations	189,472	195,156	195,156	195,156
Park Fund (\$25K for Capital Lease payment)	97,335	100,255	103,265	106,363
City Facilities Fund	43,260	44,558	45,898	47,275
Vehicle & Equipment Replacement Fund	324,531	440,267	344,295	354,624
Total Operations Levy	7,890,077	8,155,233	9,116,131	10,642,249
For Other				
Abatement - Roof Repair	30,092	30,092	30,092	30,092
COPS (debt) Police Facility	175,000	175,000	416,073	413,973
	205,092	205,092	446,165	444,065
For Bonded Debt				
2011A GO Improvement Bonds	55,000	50,000	-	-
2012A GO Improvement Bonds	55,000	50,000	50,000	-
2013A GO Improvement Bonds	75,000	75,000	25,000	25,000
2014A GO Improvement Bonds	66,000	55,000	45,000	45,000
2015A GO Improvement Bonds	95,000	95,000	95,000	95,000
2016C GO Improvement Bonds	58,000	58,000	15,000	15,000
2017A GO Improvement Bonds	60,000	55,000	52,000	52,000
2018B GO Improvement Bonds	179,000	182,500	180,000	180,000
2019A GO Improvement Bonds	227,008	214,000	214,000	214,000
2020A GO Improvement Bonds		400,321	390,000	390,000
		-	139,700	129,000
2021A GO Street Reconstruction Bonds		-		250,000
Subtotal	1,027,008	1,234,821	1,205,700	1,395,000
Facilities Related				
2016 Equipment Certificates	133,000	133,000	-	-
Public Project Revenue (Pool)	239,000	230,000	230,000	230,000
2018A NAFRS	215,000	109,000	185,000	185,000
			62,000	60,500
2021 Equipment Certificates	-	-		66,700
Subtotal	587,000	472,000	477,000	542,200
Total Debt Levy	1,819,100	1,911,913	2,128,865	2,381,265
Total General Levy	9,709,177	10,067,146	11,244,996	13,023,514
EDA	\$ 262,486	272,985	300,596	318,909
HRA	\$ 267,504	278,204	306,731	325,417
Total City-Wide Levy	10,239,167	10,618,336	11,852,324	13,667,840

Overall 15.3% increase in
City-wide Levy

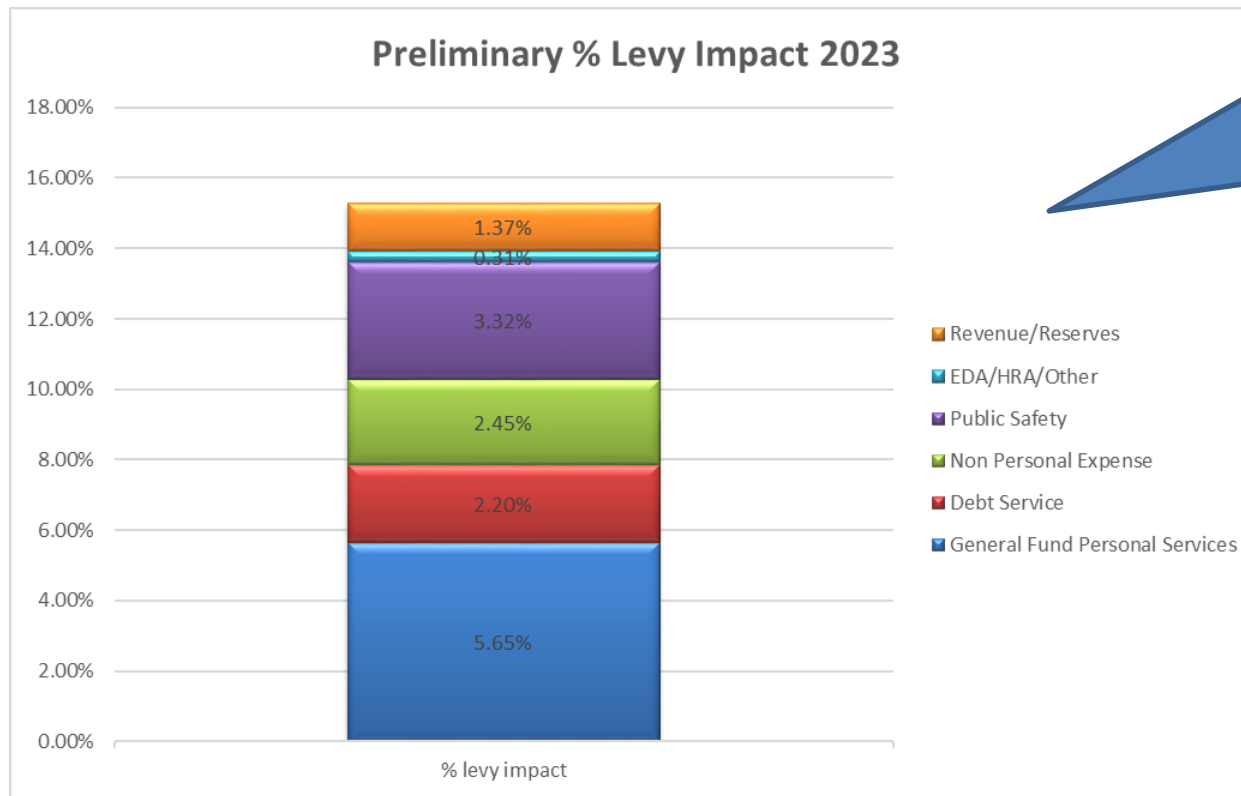
General Fund
12.7% increase in Levy

All Debt Service Funds
2.1% increase in Levy

EDA/HRA/Park/
Facilities/Vehicle
combined 0.5%
increase in Levy

Citywide Levy

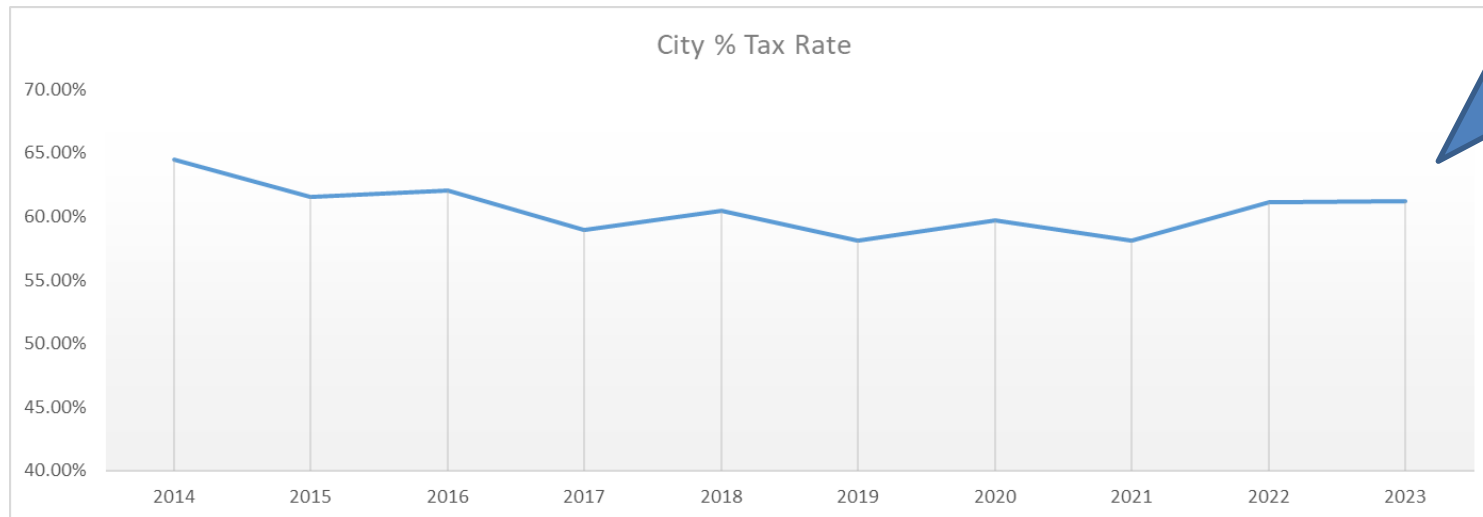
Preliminary estimate of impact on Citywide Levy



+15.3% total tax levy increase estimated, partially offset by increase in net tax capacity

Tax Rate Impact

- Estimated Net Tax Rate forecast to remain flat at 15.3%
- Estimated Tax Levy is up 15.3%
- Estimated Net Tax Capacity is also up 15.0%



At 15.3%
tax rate
estimated
to remain
flat

15.3% Levy increase – current “baseline”



16.5% Levy increase

includes Police Department succession planning



18.5% Levy increase

includes added 2% for Parks, Facilities or Library funding



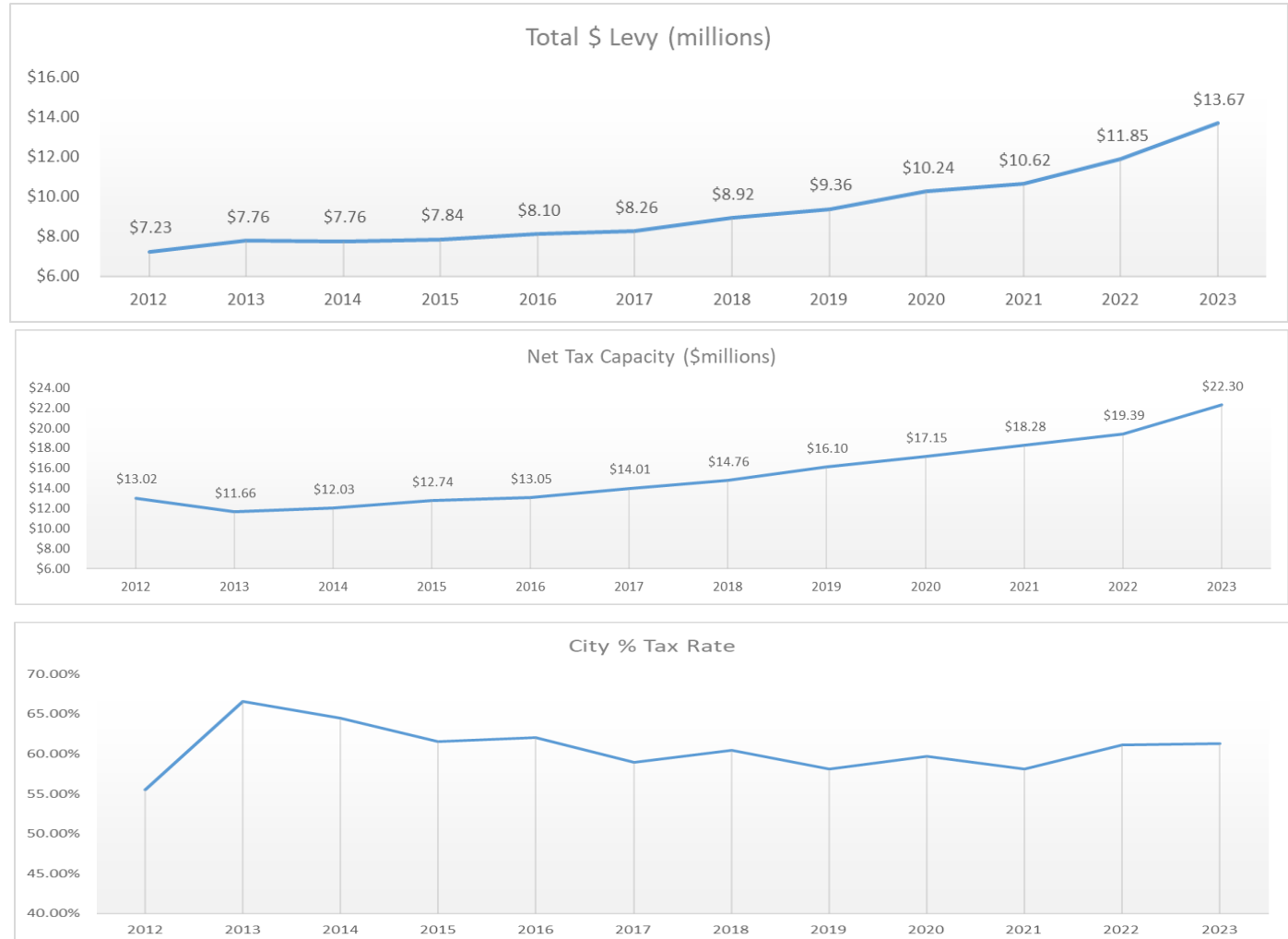
Historical View Levy/Tax Rate

The City % Tax Rate
= Total \$ Levy/Net
Tax Capacity

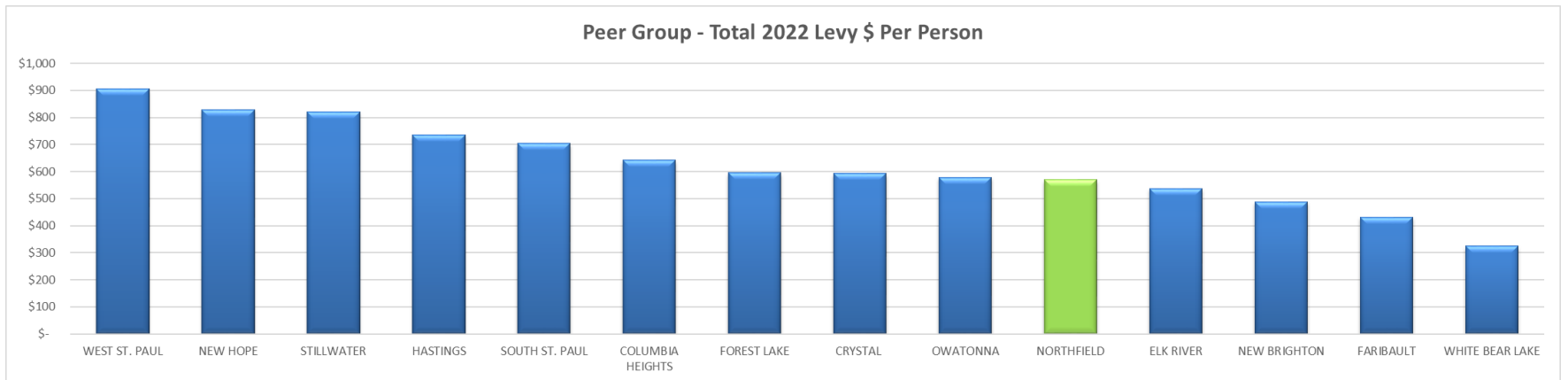
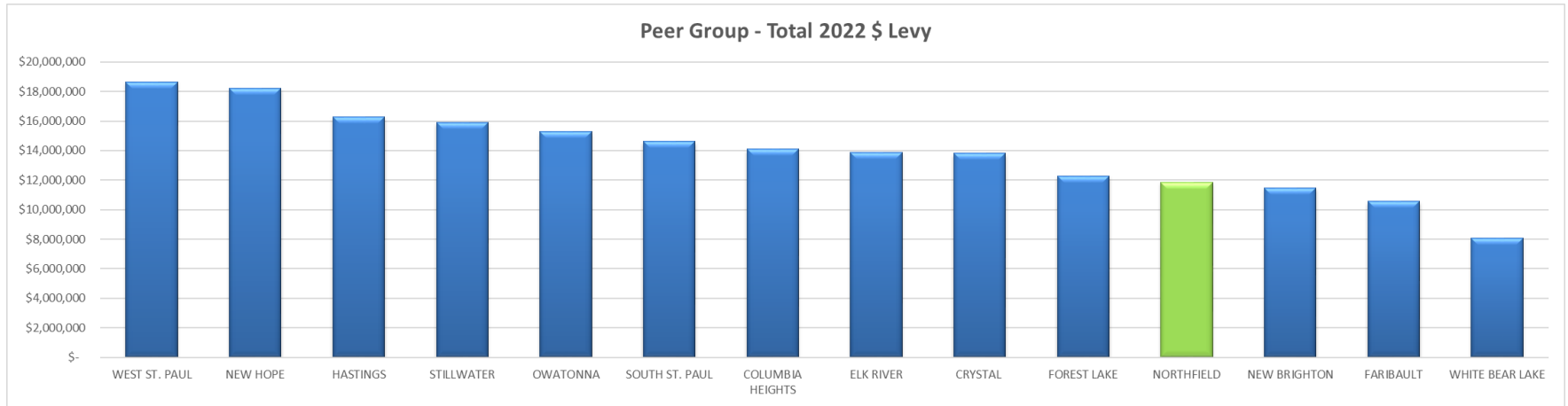
Note in 2013 the Tax
Rate peaked as Net
Tax Capacity dropped

In 2023, proposed
levy increase of 15.3%
is partially offset by a
net tax capacity
increase of 15.0%

City % Tax Rate
increases slightly
benefiting from
increased NTC



Key Ratios – Peer Comparison



2023 Staffing Budget Requests

- Staffing – no new staffing requests included in 2023 initial budget
 - all requests were funded in 2022-2023 budget – 6.7 positions added

2023

- \$180,000 Public Works – add two Utility Operators – for new Water Treatment Plant
- \$115,000 Library – increase three part-time staff to full-time staff
- \$140,000 Police – add one Sergeant (succession plan)
- \$165,000 Police Overtime increase
- \$120,000 Finance – Budget Analyst – initially funded with ERP project
- \$ 80,000 Community Development – Code Enforcement Officer - offset with fees

2024

- \$ 90,000 Public Works – add one Utility Operator – for new Water Treatment Plant
- \$100,000 Library – add full-time emerging technology librarian
- \$100,000 IT – One full-time equivalency to be determined (.5 funded by Utilities)

Staffing Request – Public Works

- Request: 3 Utility Operators - 2 in 2023, 1 in 2024
 - Required for new Water Treatment Plant
 - Cost included in Water Utility rate increases, does not impact General Fund Levy
- Old Memorial Pool - \$12,000
 - 2023 \$6,000 for \$1 increase in lifeguard wage
 - 2024 \$6,000 for \$1 increase in lifeguard wage

Staffing Request – Police

- Included in Base:
 - Police Department Overtime
- Not included in Base:
 - Police Department Succession Plan \$140,000
 - One year impact: pre-hiring Patrol Officer to Sergeant

Staffing Request – Library

- Request: Increase 3 Part-Time staff to Full-Time
 - Some desk hours were lost in 2021 when 2 part-time positions were combined to create 1 FTE
 - Increasing outreach and restoring bookmobile service
 - Strategic Priorities:
 - Improved access to city services for all demographics
 - Adequate staff to meet demands
- Other options
 - Do not return to Sunday hours in September, close at 5 on Fridays



Outreach “Oasis”– Library

- 20k in ARPA funds, 80k to fundraise
- 2022: Book return access
 - Friends of the Library have purchased the book return (\$6,000)
- 2023: 24-hour holds locker (\$20k from ARPA funds)
- Expanded services and amenities in the building:
 - Comfortable space for work, meetings, quiet reading, programs, and play
 - Natural play space and storytime patio
 - Print, copy, fax, scan station
 - Self-check out kiosk and small collection of high-interest materials for check out
 - Outreach office hours where staff will be on site to provide assistance
 - Value-added to service providers

View 360° [interior](#) and [exterior](#) (click and drag images to rotate)

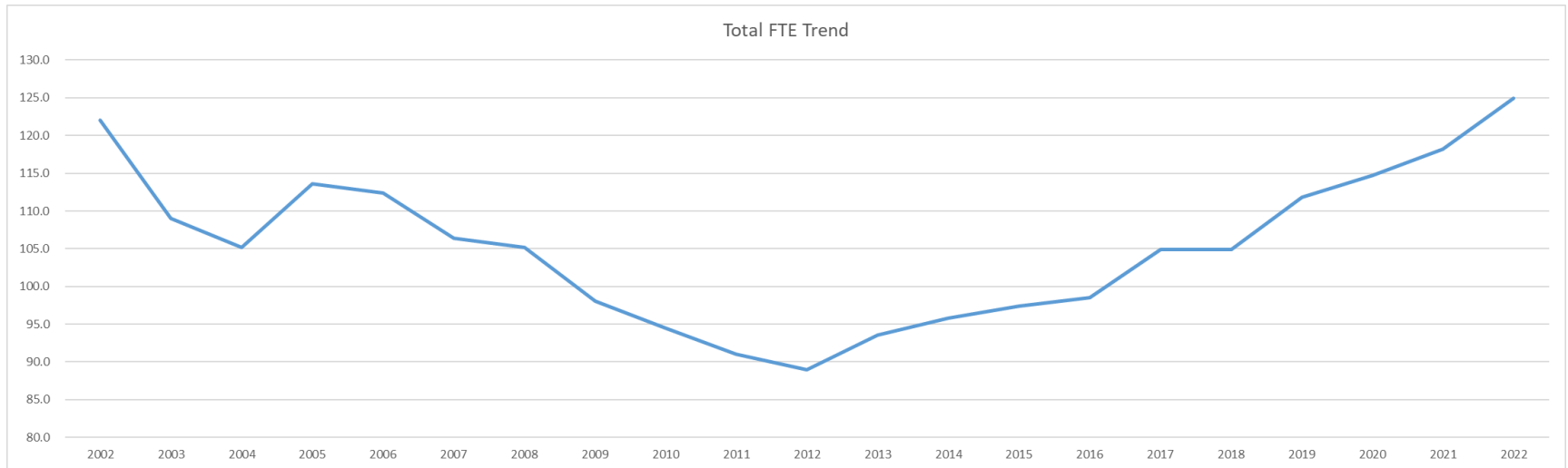


Park and Facilities Fund

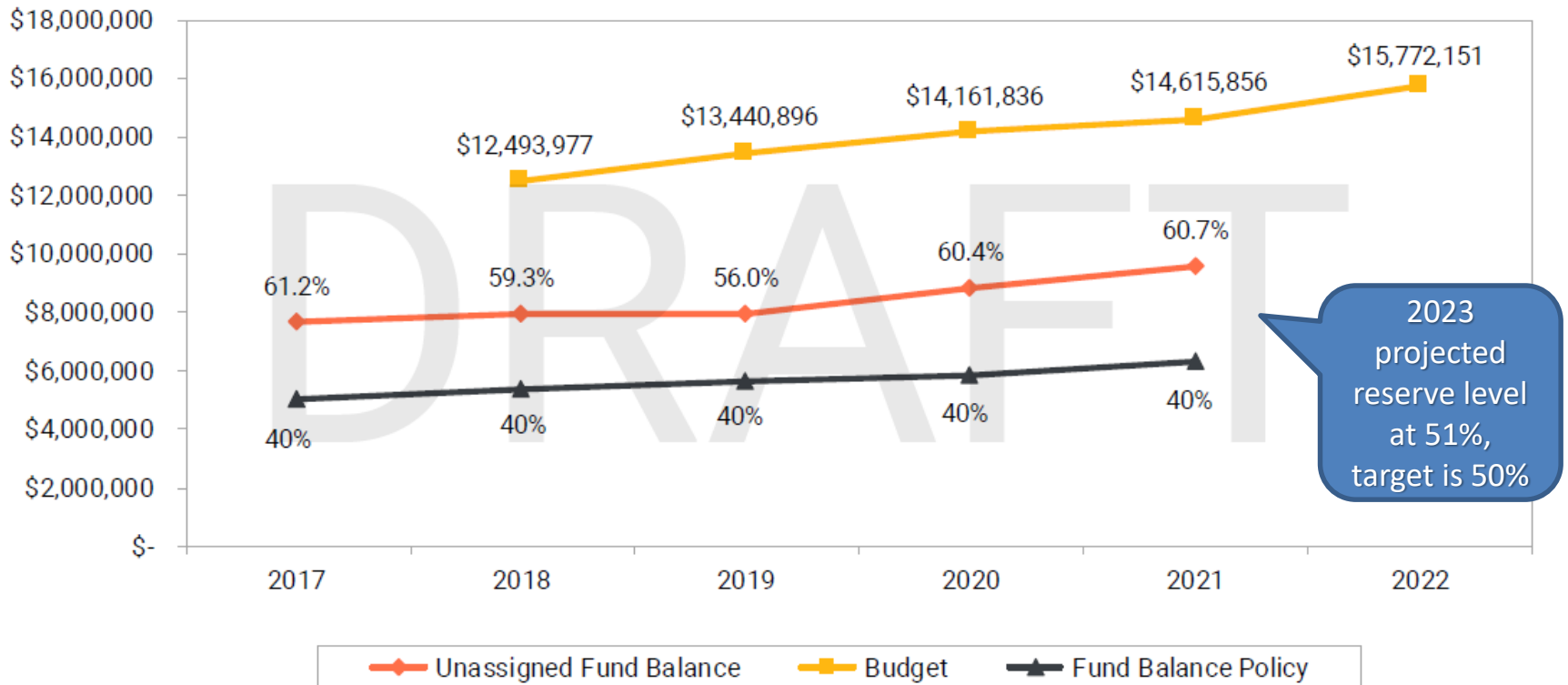
- Increase Park Funding
 - Discuss 2024 and beyond in October
 - Begin partial increase in 2023?
- Increase Facilities Funding
 - Discuss 2024 and beyond in October
 - Begin partial increase in 2023?

City Employment Trend (FTE)

- Total headcount comparable to 2002 levels
- Headcount levels dipped after LGA cuts in 2001 and again after 2008 Recession
- 6.7 FTEs added in 2022



General Fund Balance



Considerations

- Labor contract agreements have locked in wage rates for 2023-2024 (65% of General Fund expenditures)
- Debt Service committed for 2023
- NAFRS Budget increase approved for 2023
- No planned further consideration of 2023 adjustments will occur prior to adoption of a final levy in December
 - Levy cannot go up from what is approved tonight, this is the maximum, (in December it can go down, but not up)
 - If September approval is the final, TNT statements in November will be a better estimate of impact
 - Discussions regarding additional personnel/projects for 2024 will continue in October

Preliminary Levy Options

A. 15.3% baseline

Does not include any additional requests

B. 16.5%

Adds Police Succession Plan

C. 18.5%

Adds increases to Parks, Facilities or Library funds

D. Other option?

- Seeking input on preferred option for a preliminary levy next week

Schedule

September

- September 20th adoption of 2023 Preliminary Levy
 - Final Approved Levy in December can go down, but not up from Preliminary Levy
 - Set Public Hearing Date – December 6th for final budget and levy approval
- September 20th approve 2023 Utility Rates

October

- October 11th Budget review, options and prioritization for 2024

November

- November 15th Motion to approve proposed budget and levy recommendation for presentation at December 6th Hearing
- Tax Statements are mailed end of November by County

December

- December 6th Public Hearing on the 2023 Budget and Tax Levy
- December 6th approval of Levy and Budget