



Budget 2025–2026

Budget Planning – Utility Funds &
“High-Level” Budget/Levy Presentation
July 16, 2024



City of Northfield

2025-2026 Budget

Agenda



- 2025–2026 Budget Timeline
- Utility Rates and Water Treatment Plant
- Strategic Plan Summary
- Peer Comparisons
- Tax Base Changes
- Big Picture Review
 - Existing Debt
 - Personal Services forecast
- Next Steps

Budget Timeline



July 16 & Aug 20 Work Sessions

Staff develops initial requested budgets and Council discusses

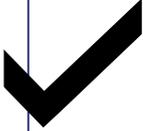
December 2

Public Hearing and Council approves final budget & levy

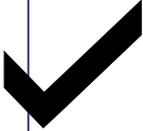
September 17

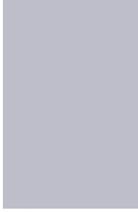
Council approves preliminary levy & budget and adopts 2025 utility rates

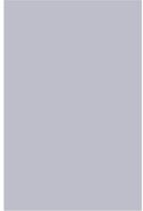


 June 18, 2024 – City Council accepts 2023 audit

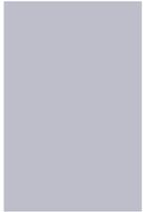
 **September 17, 2024 – Council adopts 2025 utility rates & franchise fee rate (gas/electric)**

 July 16, 2024 – Council Work Session utility funds & initial high level budget review

 October 8, 2024 – Budget Work Session – as needed, adjustments to 2025 or focus on 2026

 August 20, 2024 – Council Work Session with department detail

 **December 2 – City Council holds Public Hearing on Budget & Levy**
• Final presentation

 **September 17, 2024 – City Council approves preliminary budget and levy**

 **December 2 – Council approves Final Budget and Levy (payable 2025)**



Budget Timeline

2025 Utility Rates



- City completed a Utility Rate Study in 2018 and has updated several times since
 - Projects rates from 2019–2028
 - Drinking water plant planning in process
- 2025 increase recommendations based on rate study and recent updates
 - Water 28.0%
 - Waste Water 4.5%
 - Storm Water 15.0%
 - Garbage 1.0%

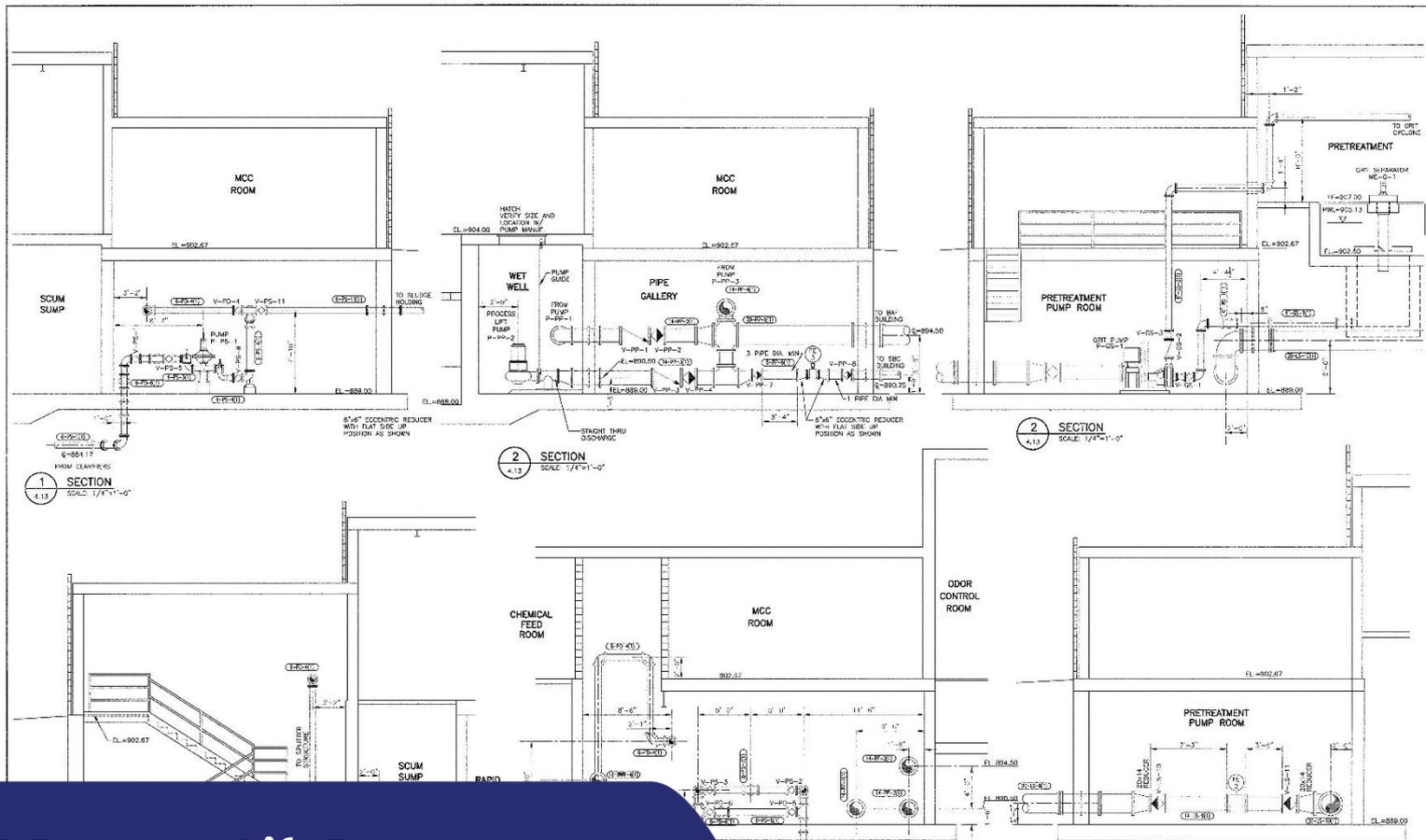
Projected Water Utility Rates



- Recent Baker Tilly update and forecast
- Different options provided based on federal funding and timing of the project
- City received \$3,945,000 for water treatment plant project from Federal Funding for FY24
- City applied for additional \$29,505,000 in Federal Funding for FY25

Wastewater Treatment Plant Project Update





WWTP Process Lift Pumps – 2026 (presented June 11)

BOLTON & MENK, INC
 CONSULTING ENGINEERS & SURVEYORS
 2000 W. 10TH ST. MINNEAPOLIS, MN 55425
 612.338.1000 FAX 612.338.1001

2 SECTION
 4.1.1 SCALE 1/4"=1'-0"

NO.	DATE	DESCRIPTION
A	7-9-99	AS BUILT
B	12-22-93	REVISION
C	12-22-93	REVISION

NORTHFIELD, MINNESOTA
WASTEWATER TREATMENT FACILITIES IMPROVEMENTS
PRETREATMENT / CLARIFIER BUILDING
CHEMICAL FEED, PUMP, AND CONTROL ROOMS-SECTIONS

THESE "AS CONSTRUCTED" DRAWINGS HAVE BEEN PREPARED FROM CONTRACTOR'S RECORDS AND OTHER AVAILABLE DATA. NOT ALL FEATURES AND CONSTRUCTION NOTES HAVE BEEN CHECKED OR REDRAWN TO REFLECT THE AS CONSTRUCTED CONDITIONS. CARE AND FIELD VERIFICATION ARE RECOMMENDED IF THESE DRAWINGS ARE TO BE USED FOR FUTURE EXTENSIONS OR REVISIONS.

4.14



**WWTP Generator Replacement
– 2026 (presented June 11)**



**WWTP Primary Treatment –
2026 (presented June 11)**



2025:
Street Sweeper
\$245,000

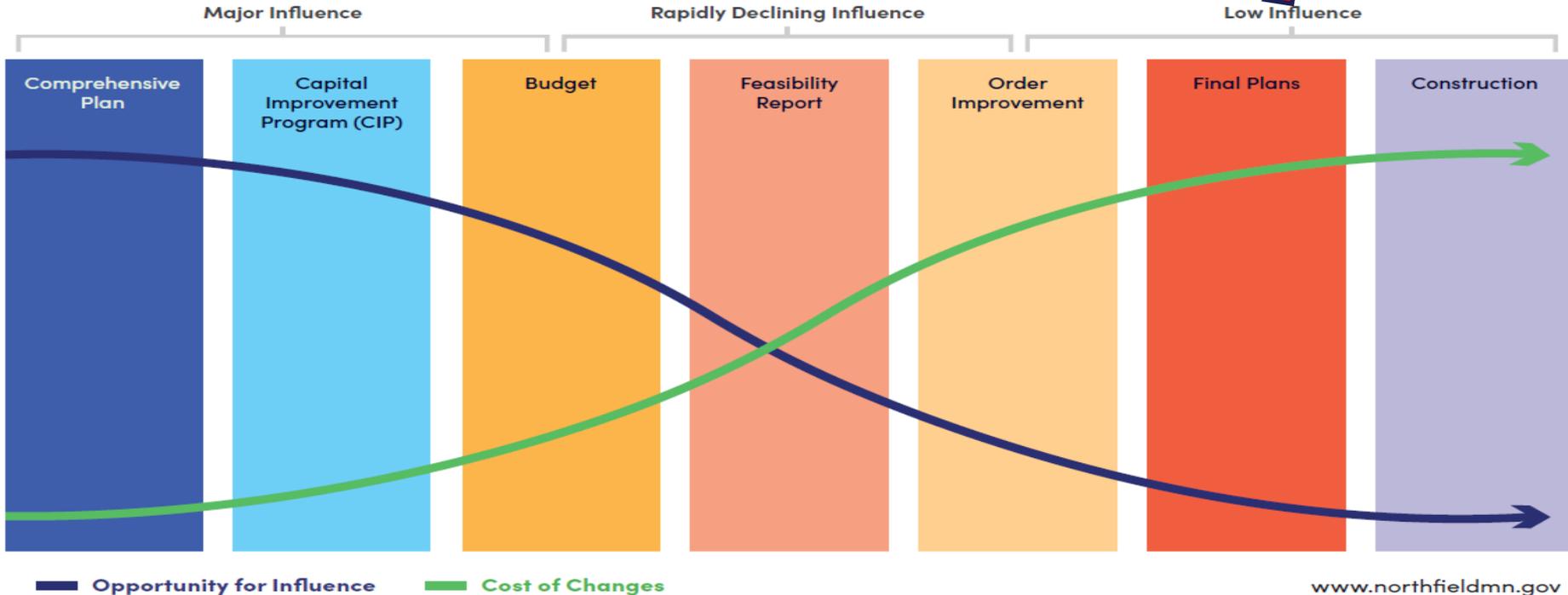
Why building a Water Treatment Plant



- Lower manganese below the Minnesota Department of Health, health-based guidance and also below Environmental Protection Agencies (EPA) secondary standard
- Lower hardness in drinking water below EPA's secondary standard
- Provides a high quality water to all residents
- Protects Northfield water from any future or unknown contaminants such as PFOS or forever chemicals. (Note: All 5 of Northfield's wells have small amount of PFBA in them which water treatment plant removes)
- New water treatment plant was recommended in Water System Study accepted by City Council on April 5, 2022

Project Influence

We are here





Northfield Water
Treatment Plant

Water Treatment Plant Project Cost Update



Construction Design Cost Estimate

Construction Cost Estimate - Northfield WTP	
Item	Cost
General Conditions/Mobilization	\$ 1,600,000
Roads and Site Work	\$ 3,700,000
Raw Watermain	\$ 2,900,000
Garage	\$ 3,500,000
Solar - Rooftop	\$ 1,500,000
Water Treatment Facility including Gravity Filtration	\$ 22,500,000
Office/Conference Rooms	\$ 3,000,000
Reverse Osmosis Addition	\$ 11,000,000
Subtotal Estimated Construction Costs	\$ 49,700,000
Contingencies @ 10%	\$ 4,970,000
Total Estimated Construction Cost	\$ 54,670,000
Engineering	\$ 3,582,135
Land	\$ 572,000
Total Estimated Project Cost	\$ 58,824,135

Why Increases in cost?

- Study conceptual design cost estimate \$33.45M (2022)
- Reverse Osmosis cost was substantially underestimated & required larger footprint
- Construction costs have increase 10% per year
- SE area booster station added into the plant to serve future growth
- Office and garage larger

Water Treatment Plant Project Cost Update with Funding



Total Estimated Project Cost	\$ 59,396,135
FY24 Federal Funding	\$ 3,945,000
Estimate Project Cost minus FY24 Funding	\$ 54,879,135
Potential FY25 Federal Funding	\$ 29,505,000
Estimate Project Cost minus FY24 & 25 Funding	\$ 25,374,135

Why Water Softening?

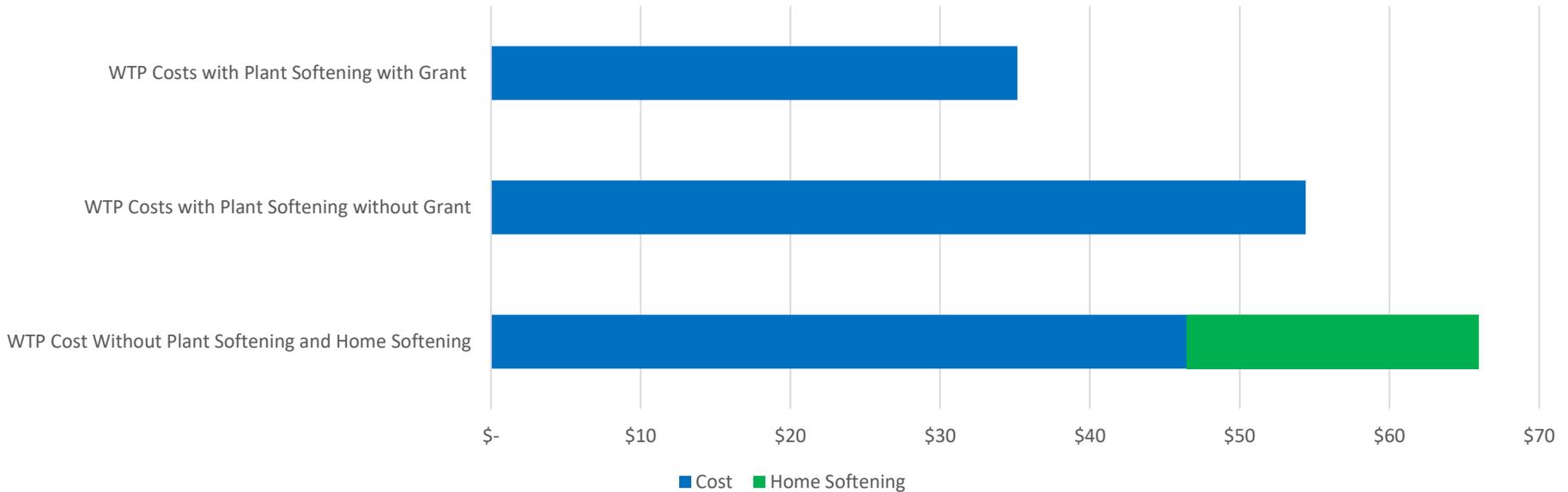


- Soft water prevents build-up of minerals inside pipes, helps dry skin and hair, cleaner dishes, cleaner laundry, protects appliance, etc.
- Removes PFAS (forever chemical) and other future or unknown contaminants.
- Provides high quality of water to all residents
- Provides softened water to all Northfield water users who currently do not have access to softened water in their rental units
- Residents will be able to remove their in-home water softeners and no longer have to haul softener salt bags into home
- Less chlorides discharged to the Cannon River by removing home water softeners
- City can provide softened water at roughly \$8 or slightly more than 1 bag of softener salt per month (typical amount used by residents)

Cost Comparison of Home vs. Municipal Softening



2028 Monthly Residential Water Costs Comparison

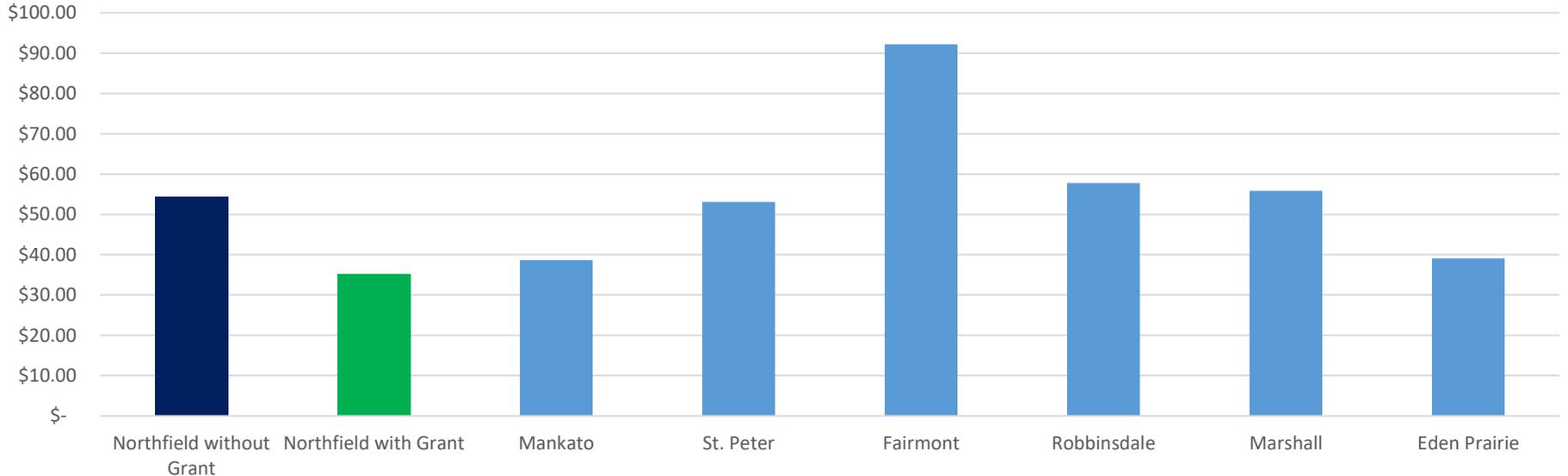


Comparable Cities



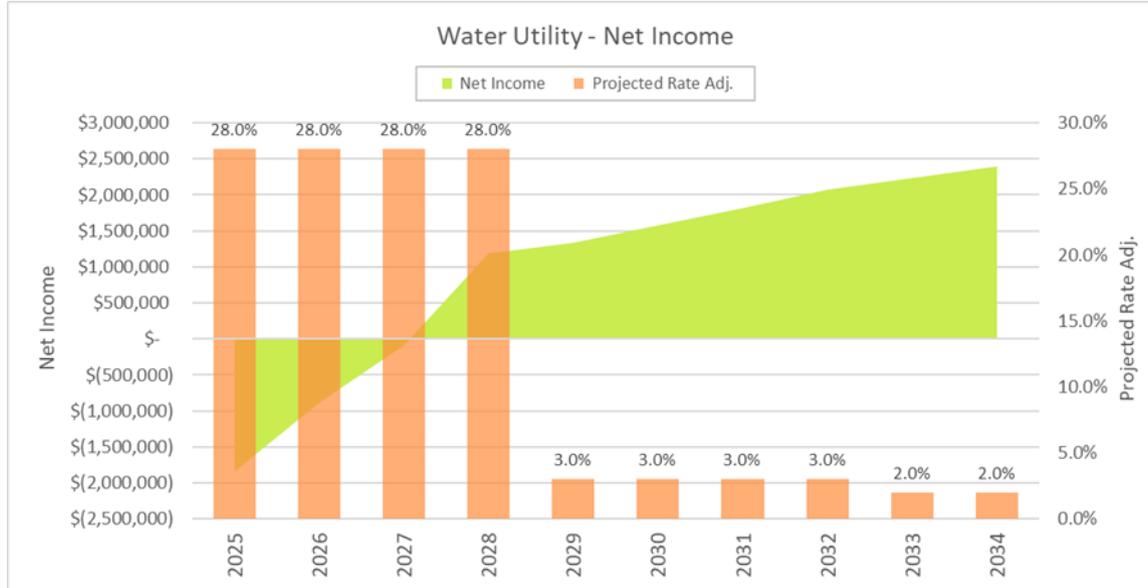
2028 Projected Rates for Softening Communities

Based on a 3% annual increase for other cities

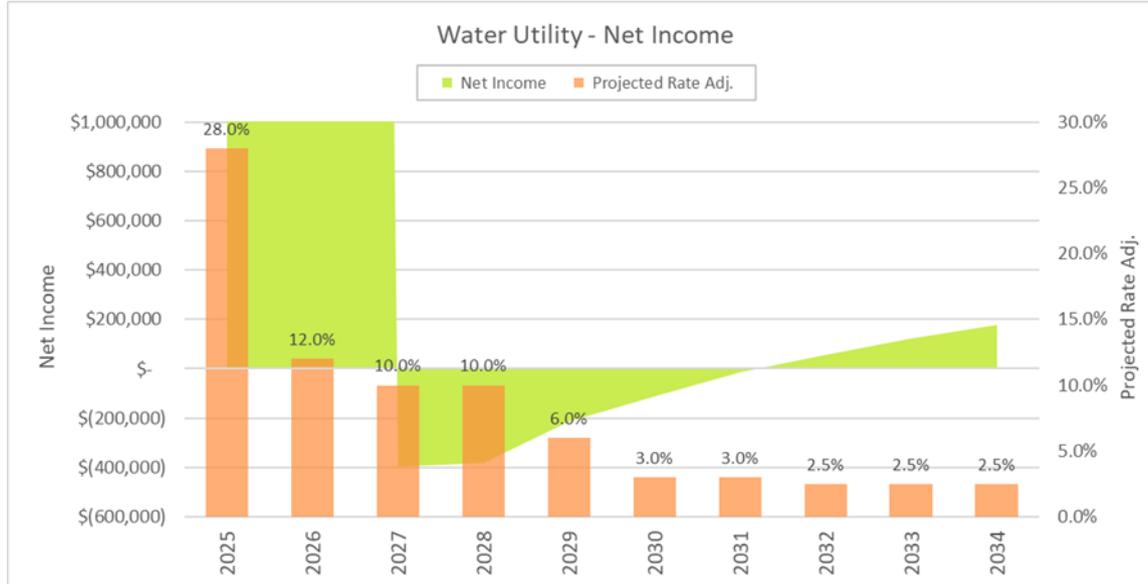


Note: These are some examples and with 22 cities with PFAS exceeding limits there will be many more new similar plants being built to remove those forever chemicals.

Projected Water Rates without Federal Funding



Projected Water Rates with Federal Funding



Sample Utility Bill without Federal Grant for FY 2025



Sample Bills - Residential						
Average Residential						
589	cubic feet					
0.33	acre lot					
		2024	2025	2026	2027	2028
Water		\$ 20.27	\$ 25.95	\$ 33.21	\$ 42.51	\$ 54.41
Sewer		\$ 40.42	\$ 42.24	\$ 44.14	\$ 46.13	\$ 47.51
Garbage (35 gal)		\$ 12.42	\$ 12.54	\$ 12.67	\$ 12.80	\$ 12.92
Storm Water		\$ 9.92	\$ 11.41	\$ 13.12	\$ 15.09	\$ 17.35
		\$ 83.03	\$ 92.14	\$ 103.14	\$ 116.52	\$ 132.20

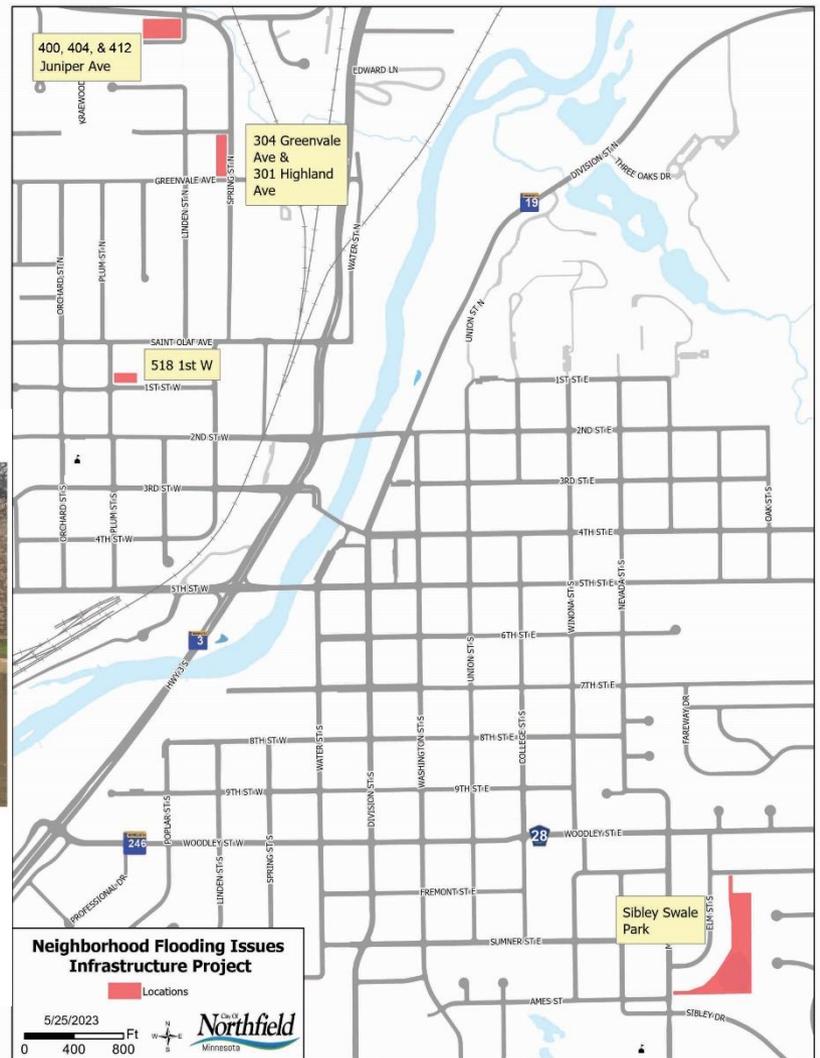
Sample Utility Bill with Federal Grant for FY 2025



Sample Bills - Residential with Federal Grant						
Average Residential						
589	cubic feet					
0.33	acre lot					
		2024	2025	2026	2027	2028
Water		\$ 20.27	\$ 25.95	\$ 29.06	\$ 31.96	\$ 35.16
Sewer		\$ 40.42	\$ 42.24	\$ 44.14	\$ 46.13	\$ 47.51
Garbage (35 gal)		\$ 12.42	\$ 12.54	\$ 12.67	\$ 12.80	\$ 12.92
Storm Water		\$ 9.92	\$ 11.41	\$ 13.12	\$ 15.09	\$ 17.35
		\$ 83.03	\$ 92.14	\$ 98.99	\$ 105.98	\$ 112.95

Stormwater Flood Improvements

- Locations identified from updated City Wide Surface Water Model Update in 2020 with new rainfall data



Garbage Fund



- Compost Site
Emergency Exit
- \$1 Million
- Hauler Contract
expires 2025



COMPOST SITE EMERGENCY EXIT

Questions Utility Funds



- September 10 worksession – Detailed budget for utility funds will be provided with brief verbal update
- September 17 – Adoption of utility rates with no further review of 2025–2026 Budget, CEP, CIP
- November 19 – Review & final 2027–2029 CIP, CEP
- December 3 – Final Adoption Utility Fund Budgets 2025–2026, 2025–2029 CIP, CEP

Strategic Plan Summary 2021-2024



Vision



Northfield is an open, safe, and welcoming community, recognized for its world-class colleges and historic riverfront downtown, and is dedicated to sustainably enhancing and preserving its vibrant culture, celebrated arts, strong economy, and an excellent quality of life where all can thrive.

Mission



The City of Northfield works for the common good of our residents and businesses and the improvement of our community by providing excellent, innovative municipal services that carry out the city's vision for a high quality of life for all.

Strategic Plan Summary 2021–2024



Values

Teamwork

- Actively participate in cooperative and collaborative approaches
- Commit to equity and the elimination of all discrimination
- Build on our shared successes as a means for workplace satisfaction
- Utilize the experience and expertise within our organization and community

Excellence & Innovation

- Serve by leading and lead by serving
- Focus on clearly defined outcomes to achieve best results
- Commit to continuous improvement building on lessons learned
- Seek creative solutions for difficult problems

Integrity

- Provide outstanding customer service
- Be open, honest, kind, respectful and accountable
- Demonstrate fiscal responsibility
- Act and communicate in authentic ways

Celebration

- Pursue and value diversity and inclusion, and welcome a broad range of perspectives
- Commemorate our unique and rich cultural sense of place
- Recognize others and their contributions
- Celebrate and acknowledge accomplishments

Stewardship

- Protect our physical environment through ecologically sustainable practices and policies
- Maintain, improve and develop high quality municipal assets
- Invest in others through advancement, mentorships and professional development
- Nurture personal well-being through physical and mental health initiatives

Strategic Plan Summary 2021-2024



STRATEGIC PLAN SUMMARY 2021-2024 City of Northfield				
Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiatives
Economic Vitality A community that's economically thriving	Expansion of commercial-industrial tax base consistent with guide plans	- \$1 permit value increase - # of new IRI inventory	- C & I permit value increased by \$50k by 2024 - \$1k of new CI developed on IRI sites by 2024	a) Implement economic stabilization, recovery & growth strategy b) Implement IRI & redevelopment strategies c) Implement Tourism recovery strategy
	Successful local business recovery	- # new business starts - sales tax growth - Job growth above 2019	New business starts increased by 1,780_2021-24 Increase in sales tax revenue by 10%_2024 Total jobs above 2019 base increased by 1,780_ by 2024	a) Implement Investment Enhancement Plan
Housing Availability A community where everyone can afford to live	Increased availability of housing at all levels	- # of units added above need	- Vacancy rate for rentals increased to 6% 2021-24 - Meet/Exceed 2021 housing study 2021 needs by 2024	a) Implement rental housing strategy
	Increased affordability for cost burdened households	- \$ decrease in cost burdened HH	- Reduce by 3% renters that are cost burdened 2021-24 - Reduce by 3% of owners that are cost burdened 2021-24	b) Implement housing stabilization program c) Implement a housing expansion strategy
Quality Facilities A community where infrastructure supports its objectives	Park, recreation and trails exceed community expectations	- \$ facilities satisfactory - % of gaps addressed - condition rating: charge addressed by 2024	- All Park and Rec facilities judged satisfactory or above 2021-24 - 50% of high priority walking & biking system gaps addressed by 2024	a) Implement Park & Recreation Capital Investment Plan b) Implement coordinated major facilities strategy c) Implement integrated high-speed internet program
	Resolution of major facility projects	- # decisions made by deadline	- By 2024, Co/No Go decisions: Ice Arena, NCR/Philly North remodel & expansion/ Liquor Store	
Diversity, Equity and Inclusion A community that welcomes everyone	High speed internet access available to all	- # with provider access - # public places with free WiFi	- High-speed fiber provider access - all properties by 2023 - Free high speed WiFi in public places by 2024	
	Staff and volunteers reflect the community	- \$ increase in racial diversity: staff, volunteers	- 50% increase in racial diversity of: City workforce, boards & commissions by 2024	a) Implement Board and Commission diversity strategy b) Continue implementation of Racial Equity Action Plan
Service Excellence A community with government that works	Improved access to city services for all demographics	- \$ improvement in access: target groups	- Meet access goals for two targeted groups by 2024	
	City is a community leader (see IRI)	- Race equity action plan targets achieved	- DEI Leadership collaboration goals met yearly 2021-24	
Climate Action A community that's resilient and sustainable	Adequate staff to meet demands	- # projects delayed - Service level staffing ratios met	- # projects/resources reconciled to meet staffing & service demands: two services by 2024	a) Conduct annual department analyses b) Deploy Board & Commission Governance Effectiveness program c) Implement a service excellence program
	Improved Board Staff effectiveness	- \$ aligned with strategic plan - 1 rating good/above	- 70% rate working relations good or excellent by 2024 - 90% of board activities align w/strategic plan by 2024	d) Implement integrated comprehensive plan
Climate Action A community that's resilient and sustainable	Improved service delivery	- \$ improvement in community satisfaction/cycle/response times	- Satisfaction in two targeted services increased by 10% by 2024 - 100% indicate well informed re: City issues by 2024 - 90% of targeted improvements achieved by 2024	a) Implement Climate Action Plan
	Climate resilience is a priority in City plans & budgets	- # climate actions in City plans - # climate actions funded	- Emerald Ash Borer plan funded & implemented by 2024 - Climate resilience standards incorporated into annual budget process and planning decisions by 2024	
Climate Action A community that's resilient and sustainable	Reduced net carbon emissions	- \$ reduction in CO2 emissions - Increase renewable energy use	- City renewable electricity is 60% of usage by 2024 - City CO2 emissions reduced 20% from 2019 levels by 2024	
	Community participation in Climate Action	- \$ increase in people implementing actions	- 20% increase in people participating in defined activities by 2024	

The plan consists of six **strategic priorities** the issues of greatest importance to the City over the next three years.

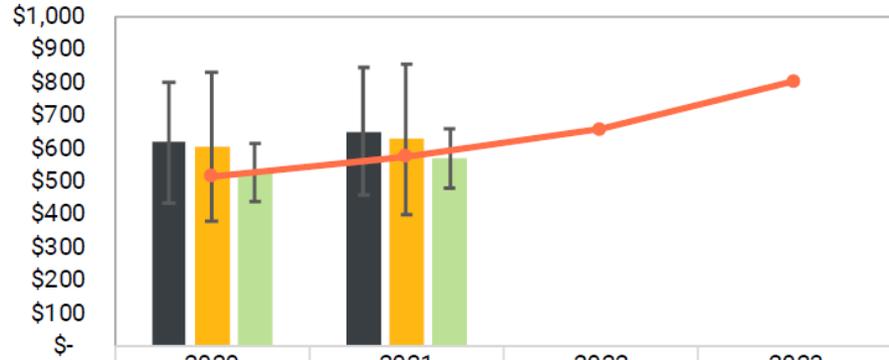
Associated with each priority is a set of **desired outcomes, key outcome indicators**, and **performance targets**, describing expected results and how the results will be measured.

The plan also includes strategic initiatives that will be undertaken to achieve the targeted outcomes.

Key Ratios – Peer Comparison



Taxes - Per Capita

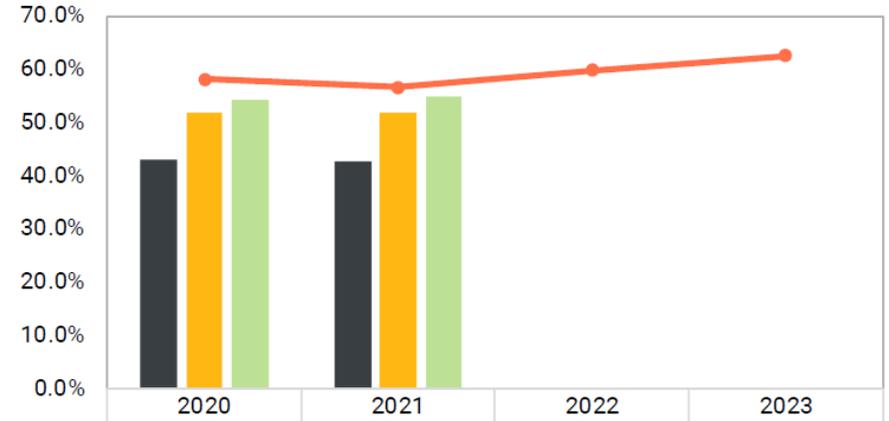


■ Class 2 Cities (20,001 - 100,000)	\$620	\$654	N/A	N/A
■ Class 3 Cities (10,001 - 20,000)	\$608	\$629	N/A	N/A
■ Cities in Rice County	\$528	\$571	N/A	N/A
—● City of Northfield	\$517	\$576	\$659	\$806

Key Ratios – Peer Comparison



Tax Rate

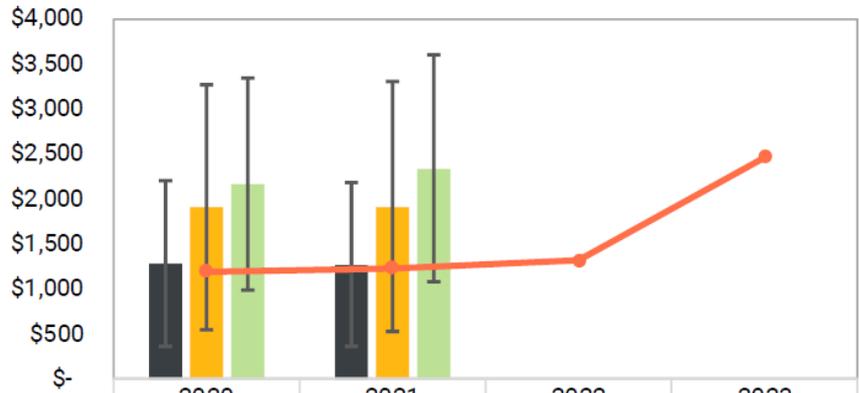


 Class 2 Cities (20,001 - 100,000)	43.1%	42.7%	N/A	N/A
 Class 3 Cities (10,001 - 20,000)	51.7%	51.7%	N/A	N/A
 Cities in Rice County	54.4%	55.0%	N/A	N/A
 City of Northfield	58.2%	56.7%	59.9%	62.6%

Key Ratios – Peer Comparison



Long Term Debt - Per Capita

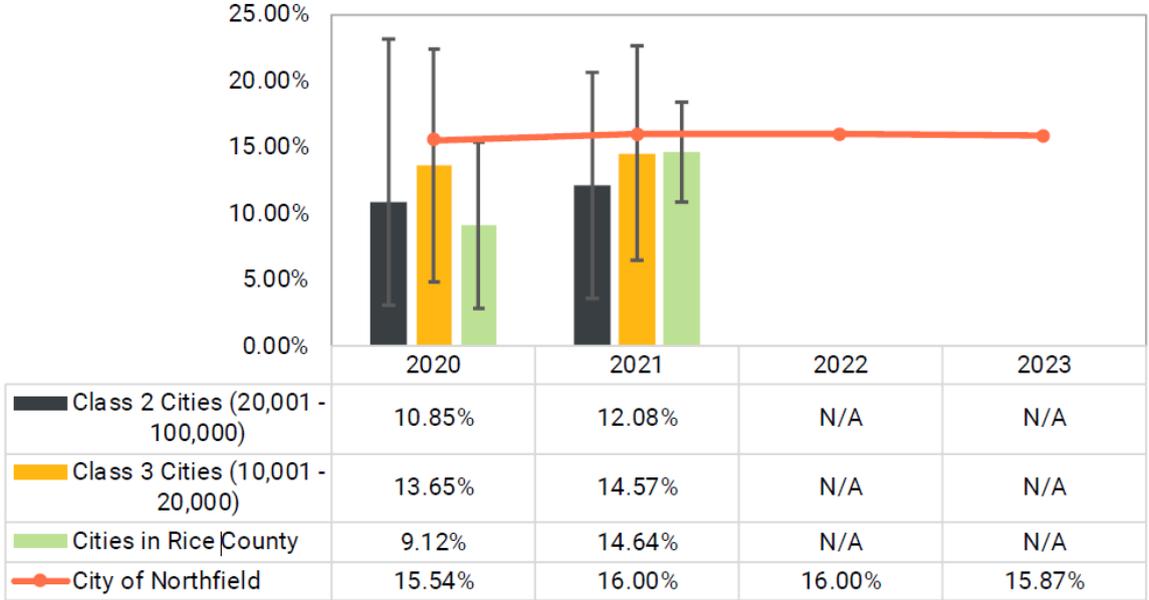


■ Class 2 Cities (20,001 - 100,000)	\$1,292	\$1,271	N/A	N/A
■ Class 3 Cities (10,001 - 20,000)	\$1,905	\$1,918	N/A	N/A
■ Cities in Rice County	\$2,173	\$2,343	N/A	N/A
—● City of Northfield	\$1,197	\$1,230	\$1,318	\$2,472

Key Ratios – Peer Comparison



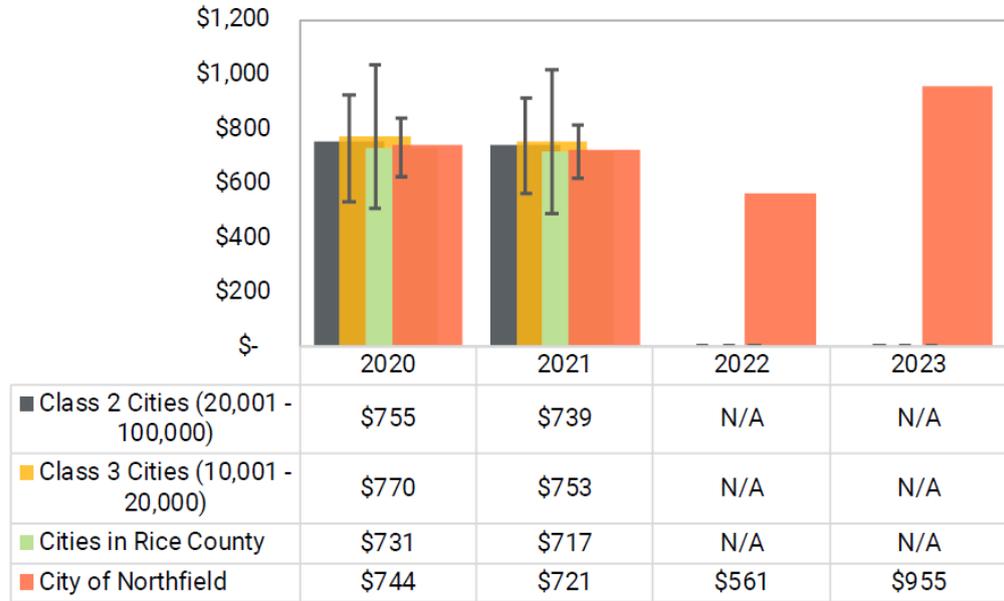
Debt Service Expenditures as a Percent of Current Expenditures



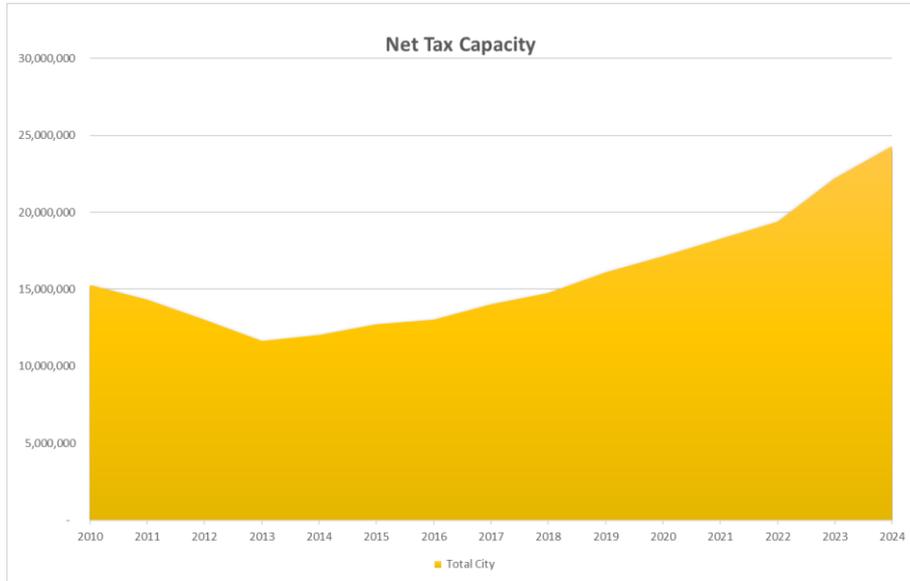
Key Ratios – Peer Comparison



Current Expenditures - Per Capita



Tax Base Changes

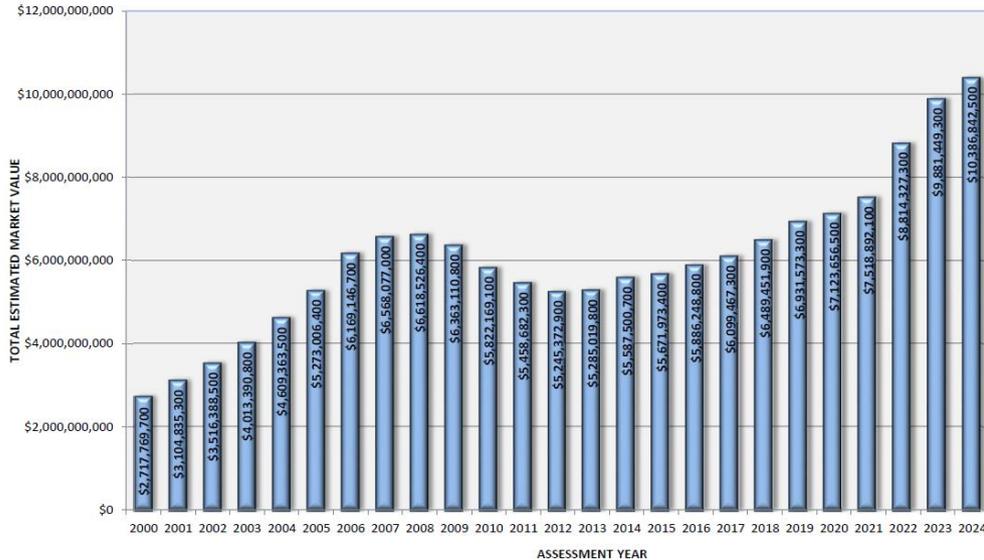


- Preliminary estimates from Rice County indicate a 5.4% increase in 2024 net tax capacity
 - Goal to increase amount related to new construction
 - 6.9% Estimated Market Value and 5.7% Taxable Market Value increase

Rice County Tax Base Changes – Market Value



MARKET VALUE GROWTH (2000 - 2024)

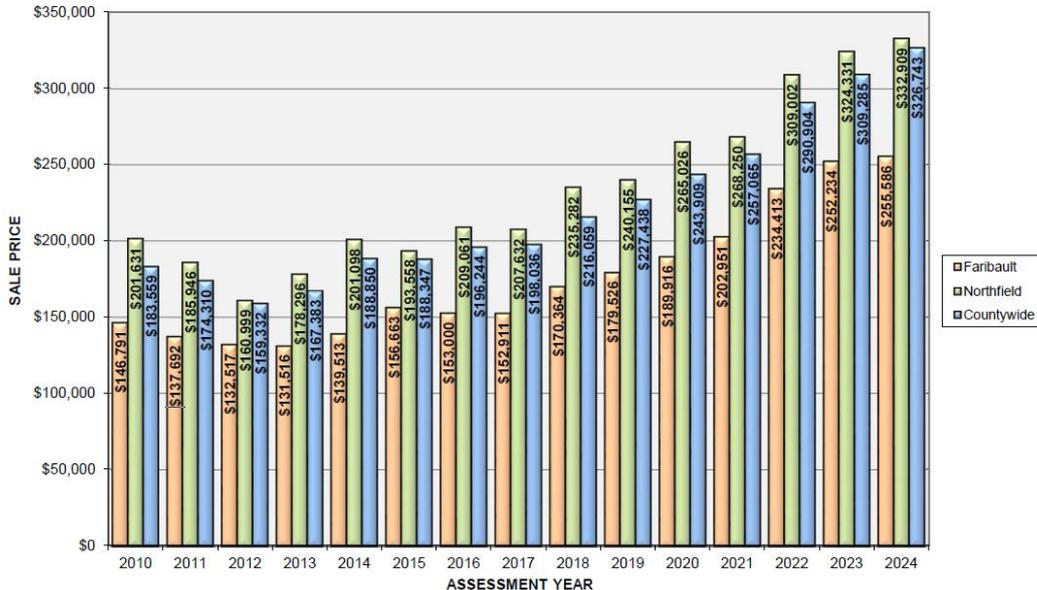


- Preliminary estimates from Rice County indicate a 5.1% increase in 2024 net market value growth

Rice County Tax Base – Average Sales Prices



RESIDENTIAL AVERAGE SALE PRICE
2010 - 2024

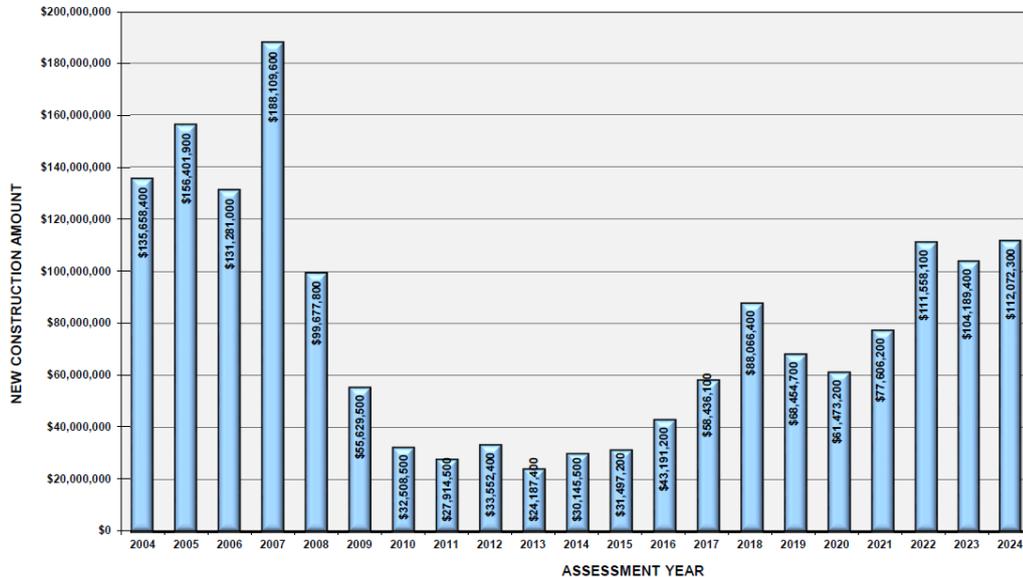


- Preliminary estimates from Rice County indicate an increase in sales price of 5.6% for the County and 2.6% for Northfield

Rice County Tax Base – New Homes Count



Rice County New Construction

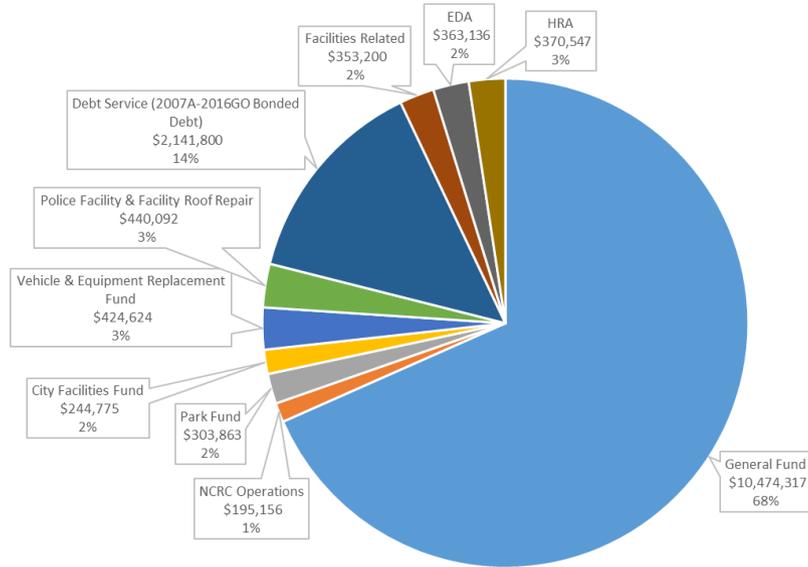


- Rice County shows a 7.6% increase in new construction in 2024

City-wide Levy



2024 Northfield Property Tax Levy \$15,311,510

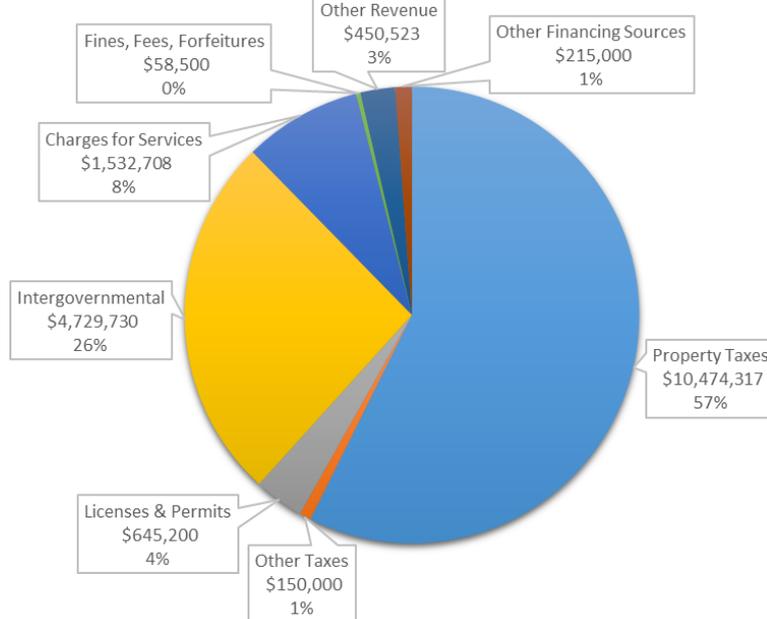


- General Fund is 68% of the total levy, debt service is increasing

General Fund Revenue



General Fund 2024 Revenue \$18,255,978

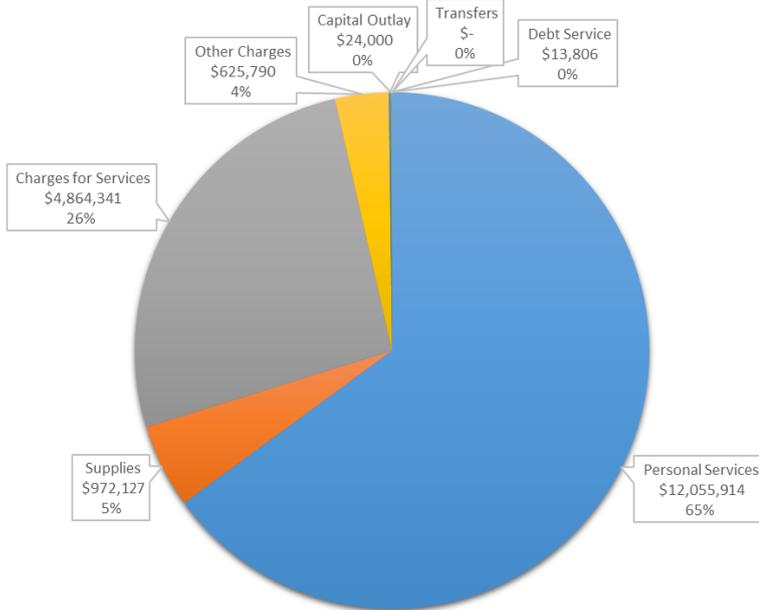


- Property Tax Revenue/Levy represents 57% of the General Fund budget and Intergovernmental is 26%

General Fund Expense



General Fund 2024 Expenditures by Category \$18,555,978

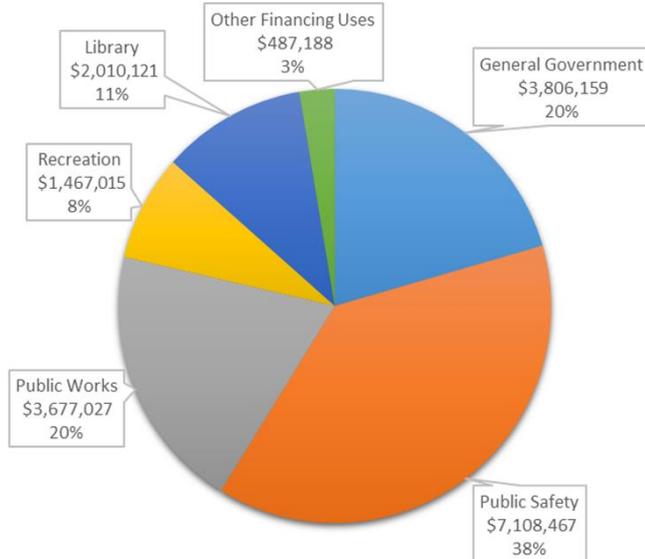


- Personal Services represent 65% of the general fund budget

General Fund Expense



General Fund 2024 Expenditures \$18,555,978



- Public Safety represents 38% of the General Fund Budget

City Services



General government



- Administrative services
- Business development
- Housing
- Elections
- Permits

Culture & Recreation



- Library
- Parks, ice rink and pool
- FiftyNorth senior center
- Recreation

Public Safety



- Police
- Fire and Rescue
- Emergency management
- Building inspections

Public Works



- Street repair and construction
- Snow plowing
- Drinking, storm and waste water
- Garbage, recycling and yard waste
- City buildings

Maintaining Quality Infrastructure & Facilities



23 miles of trails
8 miles of bike lanes



71 miles of sidewalks



21 playgrounds
4 park shelters
2 athletic complexes



1 ice arena



1 swimming pool



78 miles of city streets



80 miles of sanitary sewer

56 miles of storm sewer

94 miles of water main



5 wells

3 water towers

1 waste water treatment plant



58 storm ponds



8 buildings

Economic Vitality Strategic Plan Goal



- **Infill Site – Marketing & Recruitment**
 - Encourage owners of sites remaining to make available (very limit) & market those sites
- **Redevelopment**
 - Loon Liquor, 5th & Washington, 5th & Water, Archer, etc.
 - Code changes to expand uses & site development particularly in commercial districts (Visible City study)
- **NW Area Development**
 - Pending Zoning amendments, re-zoning
 - Solar field restriction & amendments exploration (limits development opportunities)
 - Current strong Market for data center interest for target industry in City’s Comprehensive Economic Development Plan in this location
- **Business Retention & Expansion (2024)**
 - Comprehensive business community survey to identified opportunities

Big Picture – Debt & Levy Forecast



- Projects considered, not in CIP (in various stages of planning/exploration)
 - 5th and Water redevelopment
 - 5th and Washington redevelopment, parking ramp, Liquor Store
 - NW Area infrastructure
 - Lincoln Parkway
 - Park Study
 - Parks Planning, Riverfront development
 - Bluffview/TH246 Turn Lanes
 - NCRC renovation and/or expansion
 - Rooftop Solar – exploring grant opportunities

Big Picture – Debt & Levy Forecast



- Projects seeking external funding in CIP
- Grants
- State Bonding and Local Option Sales Tax
 - Bridge Square Street and Park
 - Riverwalk access
 - Parks Planning, Riverfront enhancement development

Big Picture – Debt & Levy Forecast



City of Northfield
Capital Funding Discussion (June, 2024)
ANNUAL DEBT LEVIES



	Actual 2024	Forecast 2025	2026	2027	2028	2029	2030
Existing Debt Levies (2013-2023 Bond Issues)	2,935,092	2,980,030	2,891,592	2,876,592	2,815,292	2,568,955	2,326,225
2024 Street Reconstruction Projects - 20 yr Levy	-	516,500	516,500	516,500	516,500	516,500	516,500
2024 Bonds - Transit Hub - 15 yr Levy	-	99,300	99,300	99,300	99,300	99,300	99,300
2024-2029 Equipment Debt (10 yr Levies)	-	151,500	207,500	207,500	207,500	351,100	392,100
2025 Street Reconstruction Projects - 20 year Levy	-	-	502,600	502,600	502,600	502,600	502,600
2025 Ice Arena - 20 year Levy	-	-	1,046,654	1,046,654	1,046,654	1,046,654	1,046,654
2025 Bridge Square - 20 year Levy	-	-	592,400	592,400	592,400	592,400	592,400
2026 Street Reconstruction Plan Bonds - 15 yr Levy	-	-	-	402,500	402,500	402,500	402,500
2026 Riverwalk / City Hall - 15 yr Levy	-	-	-	177,100	177,100	177,100	177,100
2027 Street Reconstruction Plan Bonds - 15 year Levy	-	-	-	-	210,100	210,100	210,100
2028 Street Reconstruction Plan Bonds - 15 year Levy	-	-	-	-	-	426,900	426,900
Subtotal Debt Levies	2,935,092	3,747,330	5,856,546	6,421,146	6,569,946	6,894,109	6,692,379
NCRC Operations Levy	195,156	195,156	195,156	195,156	195,156	195,156	195,156
Park Fund Levy	303,863	444,344	584,825	614,066	644,770	677,008	710,858
City Facilities Fund Levy	244,775	257,014	269,864	283,358	297,526	312,402	328,022
Vehicle & Equipment Replacement Levy	424,624	494,864	519,607	545,588	572,867	601,510	631,586
Subtotal Capital Maintenance Fund Levies	1,168,418	1,391,378	1,569,453	1,638,167	1,710,318	1,786,076	1,865,622
TOTAL DEBT & CAPITAL MAINTENANCE LEVIES	4,103,510	5,138,707	7,425,999	8,059,313	8,280,264	8,680,185	8,558,001
Percent Change From Prior Year:	20.3%	25.2%	44.5%	8.5%	2.7%	4.8%	-1.4%
FORECASTED CITY GENERAL LEVY (5% /Yr after '25)	10,474,317	11,582,019	12,161,120	12,769,176	13,407,635	14,078,017	14,781,918
FORECASTED EDA LEVY	363,136	418,654	439,587	461,566	484,644	508,877	534,321
FORECASTED HRA LEVY	370,547	427,198	448,558	470,986	494,535	519,262	545,225
TOTAL (ALL LEVIES)	15,311,510	17,566,579	20,475,264	21,761,042	22,667,079	23,786,340	24,419,464
Percent Change From Prior Year:	9%	15%	17%	6%	4%	5%	3%
Average 5-yr Forecasted Total Levies Increase:				9%			

Forecasted Tax Rate Impacts:

	2024	2025	2026	2027	2028	2029	2030
Forecasted City Tax Rate:	62.224%	67.973%	75.833%	76.799%	76.160%	76.113%	74.341%
Forecasted EDA Tax Rate:	1.550%	1.702%	1.702%	1.702%	1.702%	1.702%	1.702%
Forecasted HRA Tax Rate:	1.582%	1.737%	1.737%	1.737%	1.737%	1.737%	1.737%
Forecasted Total Tax Rate:	65.356%	71.411%	79.272%	80.238%	79.599%	79.552%	77.780%
Change From Prior Year:	5.682%	6.055%	7.861%	0.966%	-0.639%	-0.047%	-1.772%

Sample Property Tax Bill (All Levies)

\$350,000* Residential Homestead (*2% annual appreciation)	\$2,250	\$2,392	\$2,716	\$2,811	\$2,852	\$2,915	\$2,914
Annual Increase (Decrease):		\$142	\$324	\$96	\$41	\$63	(\$1)

- Option A: Bridge Square Streets & Park project
 - 2026 Project (move back from 2025)
 - Pursue State Bonding
 - Reduces levy increase 2% in 2025 to 15%

Big Picture – Debt & Levy Forecast



City of Northfield
Capital Funding Discussion (June, 2024)
ANNUAL DEBT LEVIES



	Actual 2024	Forecast					
		2025	2026	2027	2028	2029	2030
Existing Debt Levies (2013-2023 Bond Issues)	2,935,092	2,980,030	2,891,592	2,876,592	2,815,292	2,568,955	2,326,225
2024 Street Reconstruction Projects - 20 yr Levy	-	516,500	516,500	516,500	516,500	516,500	516,500
2024 Bonds - Transit Hub - 15 yr Levy	-	99,300	99,300	99,300	99,300	99,300	99,300
2024 - 2029 Equipment Debt (10 yr Levies)	-	151,500	207,500	207,500	207,500	351,100	392,100
2025 Street Reconstruction Projects - 20 year Levy	-	-	502,600	502,600	502,600	502,600	502,600
2025 Ice Arena - 20 year Levy	-	-	1,046,654	1,046,654	1,046,654	1,046,654	1,046,654
2026 Bridge Square / Riverwalk - 20 year Levy	-	-	-	348,000	348,000	348,000	348,000
2026 Street Reconstruction Plan Bonds - 15 yr Levy	-	-	-	402,500	402,500	402,500	402,500
2026 City Hall - 15 yr Levy	-	-	-	88,800	88,800	88,800	88,800
2027 Street Reconstruction Plan Bonds - 15 year Levy	-	-	-	-	210,100	210,100	210,100
2028 Street Reconstruction Plan Bonds - 15 year Levy	-	-	-	-	-	426,900	426,900
Subtotal Debt Levies	2,935,092	3,747,330	5,264,146	6,088,446	6,237,246	6,561,409	6,359,679
NCRC Operations Levy	195,156	195,156	195,156	195,156	195,156	195,156	195,156
Park Fund Levy	303,863	444,344	584,825	614,066	644,770	677,008	710,858
City Facilities Fund Levy	244,775	269,253	296,178	325,796	358,375	394,213	433,634
Vehicle & Equipment Replacement Levy	424,624	494,864	519,607	545,588	572,967	601,510	631,586
Subtotal Capital Maintenance Fund Levies	1,168,418	1,403,617	1,595,766	1,680,605	1,771,168	1,867,887	1,971,234
TOTAL DEBT & CAPITAL MAINTENANCE LEVIES	4,103,510	5,150,946	6,859,912	7,769,051	8,008,414	8,429,295	8,330,913
Percent Change From Prior Year:	20.5%	25.5%	33.2%	13.3%	3.1%	5.3%	-1.2%
FORECASTED CITY GENERAL LEVY (5% /Yr after '25)	10,474,317	11,582,019	12,161,120	12,769,176	13,407,635	14,078,017	14,781,918
FORECASTED EDA LEVY	363,136	418,654	439,587	461,566	484,644	508,877	534,321
FORECASTED HRA LEVY	370,547	427,198	448,558	470,986	494,535	519,262	545,225
TOTAL (ALL LEVIES)	15,311,510	17,578,817	19,909,177	21,470,780	22,395,228	23,535,451	24,192,376
Percent Change From Prior Year:	9%	15%	13%	8%	4%	5%	3%
Average 5-yr Forecasted Total Levies Increase:				9%			

Forecasted Tax Rate Impacts:

	2024	2025	2026	2027	2028	2029	2030
Forecasted City Tax Rate:	62.224%	68.022%	73.642%	75.729%	75.206%	75.274%	73.618%
Forecasted EDA Tax Rate:	1.550%	1.702%	1.702%	1.702%	1.702%	1.702%	1.702%
Forecasted HRA Tax Rate:	1.582%	1.737%	1.737%	1.737%	1.737%	1.737%	1.737%
Forecasted Total Tax Rate:	65.356%	71.461%	77.080%	79.168%	78.644%	78.713%	77.057%
Change From Prior Year:	5.682%	6.105%	5.619%	2.088%	-0.524%	0.068%	-1.656%

Sample Property Tax Bill (All Levies)

\$350,000* Residential Homestead (*2% annual appreciation)	\$2,250	\$2,394	\$2,641	\$2,774	\$2,818	\$2,884	\$2,887
Annual Increase (Decrease):		\$144	\$247	\$133	\$44	\$66	\$3

- **Option B: Bridge Square Streets & Park project**
 - 2027 Project (move back from 2026)
 - Pursue State Bonding
 - Pursue Local Option Sales Tax (voter approved)
 - Reduces levy increase 2% in 2027 to 6%

2025 Budget Highlights



- Capital Maintenance fund levies increases total levy by 1.5% continues to cover existing maintenance needs
 - Parks Fund
 - Facilities Fund
 - Vehicle & Equipment Fund
- Debt levy increases levy by 5.5% for previously bonded and legally obligated projects
- General Fund increases levy by 7%, primarily personnel cost driven, currently negotiating labor contracts
- EDA/HRA levies increases levy by 0.5%, driven by 9% estimated market value growth in 2023

Big Picture – Personal Services Expense



- Existing Personal Expense Forecast
 - Personal Services approximately 65% of General Fund budget
 - Contracts open for 2025 & 2026
 - Negotiations to begin in August after Council discussion

Big Picture – 2025 Market Study & Staffing Requests



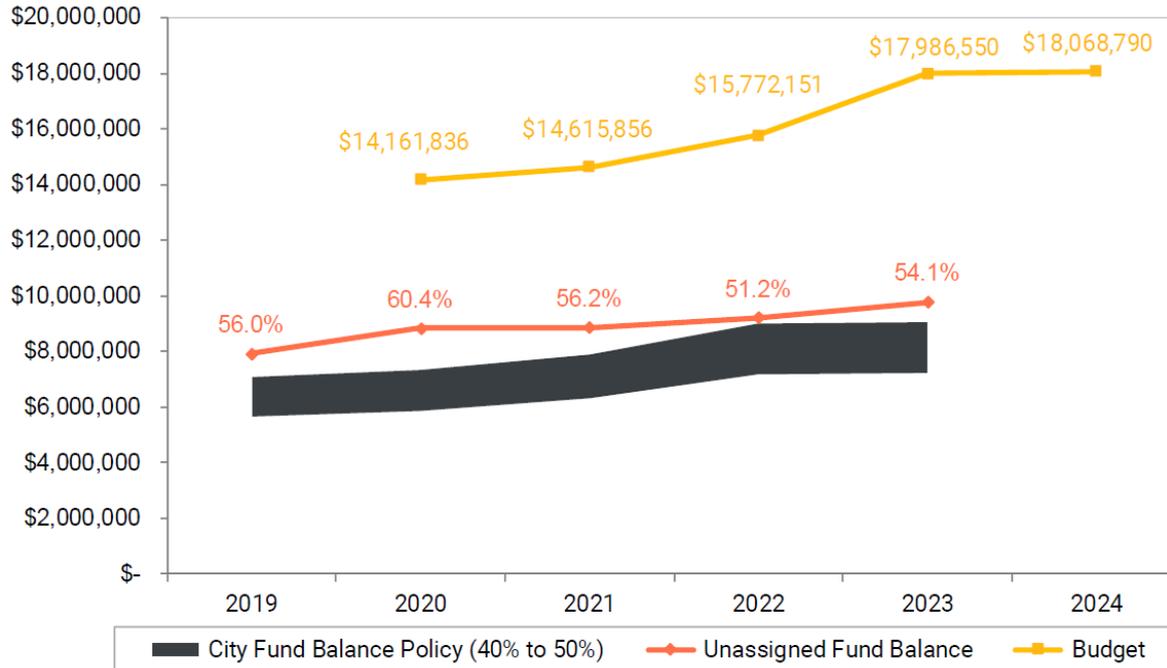
- **Market Rate study in process (every 3 years)**
- **Admin Service Study completed in 2024**
 - Position addition recommendations
- **Public Works Study in process**
 - Position addition recommendations
- **Operational Changes**
 - Library, considering Sunday summer hours

2025 Budget External Funding



- **Agreements/Requests in process**
 - HCI - Healthy Community Initiative
 - \$81,955 for 2025, \$84,414 for 2026, \$86,946 for 2027
 - NHS - Northfield Historical Society
 - \$42,000 for 2025, \$46,500 for 2026, \$45,500 + inflation for 2027
 - Age Friendly
 - 28,000 for 2025, 27,250 for 2026, pending for 2027
 - NH+C Rec Agreement
 - In process
 - NAFRS
 - CVB
 - SMIF

General Fund Balance



- Reserve levels

Maintenance Funds



- Maintenance needs higher than previous levy levels support
 - Park Fund
 - \$444,344 levy, \$140,481 increase in 2025
 - \$584,825 levy, \$140,481 increase in 2026
 - City Facilities Fund
 - \$257,014 levy, \$12,239 increase in 2025
 - \$269,864 levy, \$12,850 increase in 2026
 - Vehicle & Equipment Fund
 - \$494,864 levy, \$70,240 increase in 2025
 - \$519,607 levy, \$24,743 increase in 2026

EDA/HRA



- Levies follow 2024 market value increases
- EDA levy \$395,847.99, a 9% increase
 - EDA (.01813% of EMV max)
- HRA levy \$403,926.52, a 9% increase
 - HRA (.01850% of EMV max)

NCRC Fund

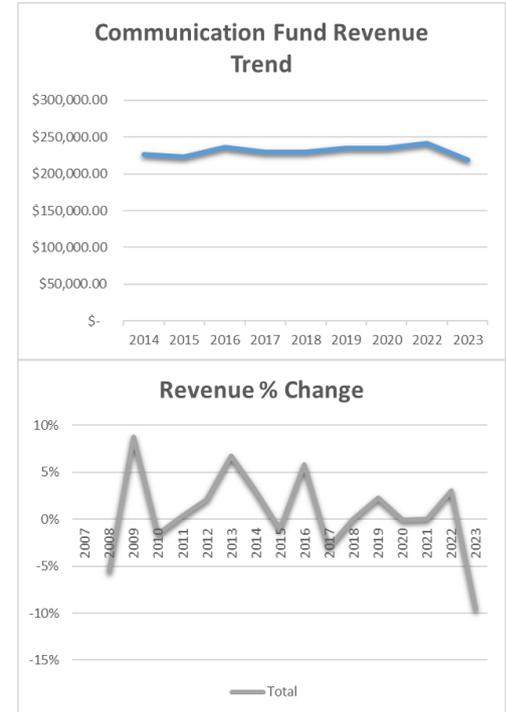


- Annual Levy of \$195,156
- Deferred maintenance needs, decreasing fund balance
 - Forecasted needs vs upgrades
- Original bond paid off, levy has remained to fund operating shortfall
- Focused discussion in future meetings

Communications Fund



- Funded with cable franchise and PEG fees, not levy supported
- Issues with decreasing revenue
 - MACTA legislation update
 - Pursue Friends of NPB
 - Forecast/Alternatives
 - Metronet is not offering cable
 - Streaming instead, no franchise fee
 - Revenue dropping approx 5% per quarter





- **Self-supporting, not levy supported**
 - Break-even Revenue/Expense
- **Provides Convenient Service to Community**
 - Expanded hours and staffing levels

Liquor Store



- **Generates profit annually, not levy supported**
 - transfers portion of profits to General Fund annually, reducing overall levy needed
- **Maintenance issues with store/equipment age and inefficiencies with store layout**
- **Highest & best use of location**

Next Steps



- August 20 Work Session
- September 10 Work Session – preview
- September 17 Council Meeting
 - Approve preliminary budget & levy (maximum amount)
 - Set Public Hearing Date in December
 - Approve 2025 Utility Rates
 - Approve 2025 Franchise Fee Rates (gas/electric)
- December 2 Council Meeting
 - Public Hearing and approve final levy and budget

Questions?

Thank you