

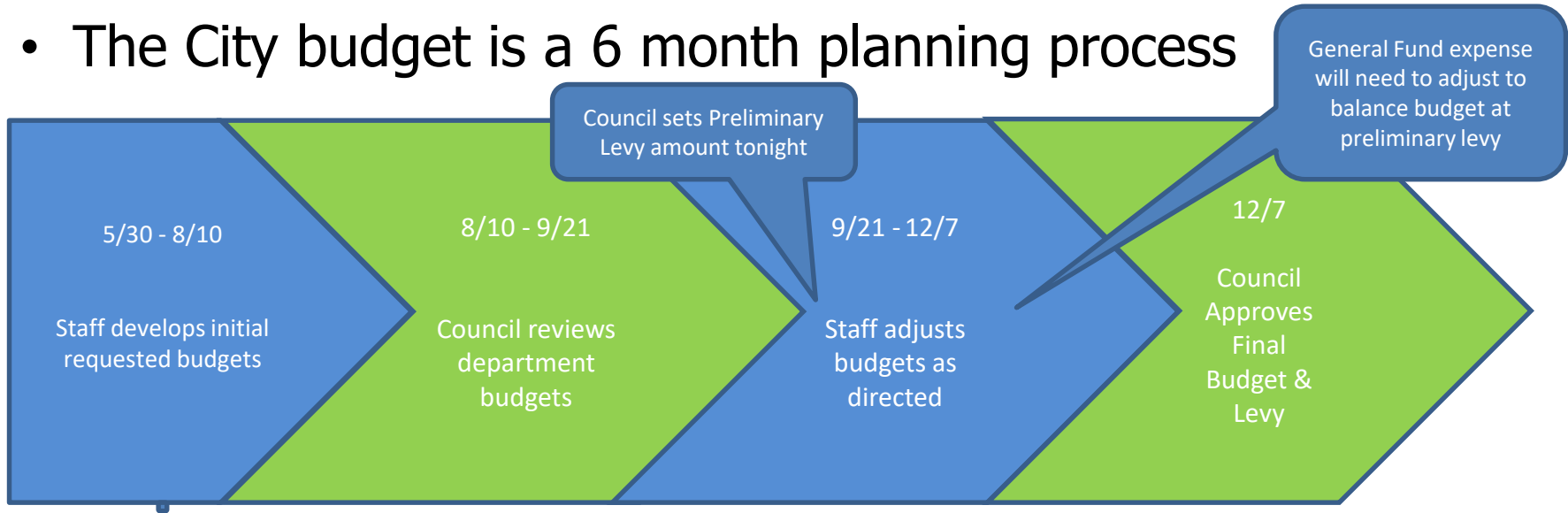


2021 Budget Worksession
2022 Preliminary Levy & Budget
September 21st, 2021

9/16/21

Budget Timeline 2021

- The City budget is a 6 month planning process



- Key Dates in the planning process



Budget Process

- Further consideration of adjustments may 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)
 - Discussions regarding additional personnel/projects can continue in October and November

Budget & Levy Scenarios

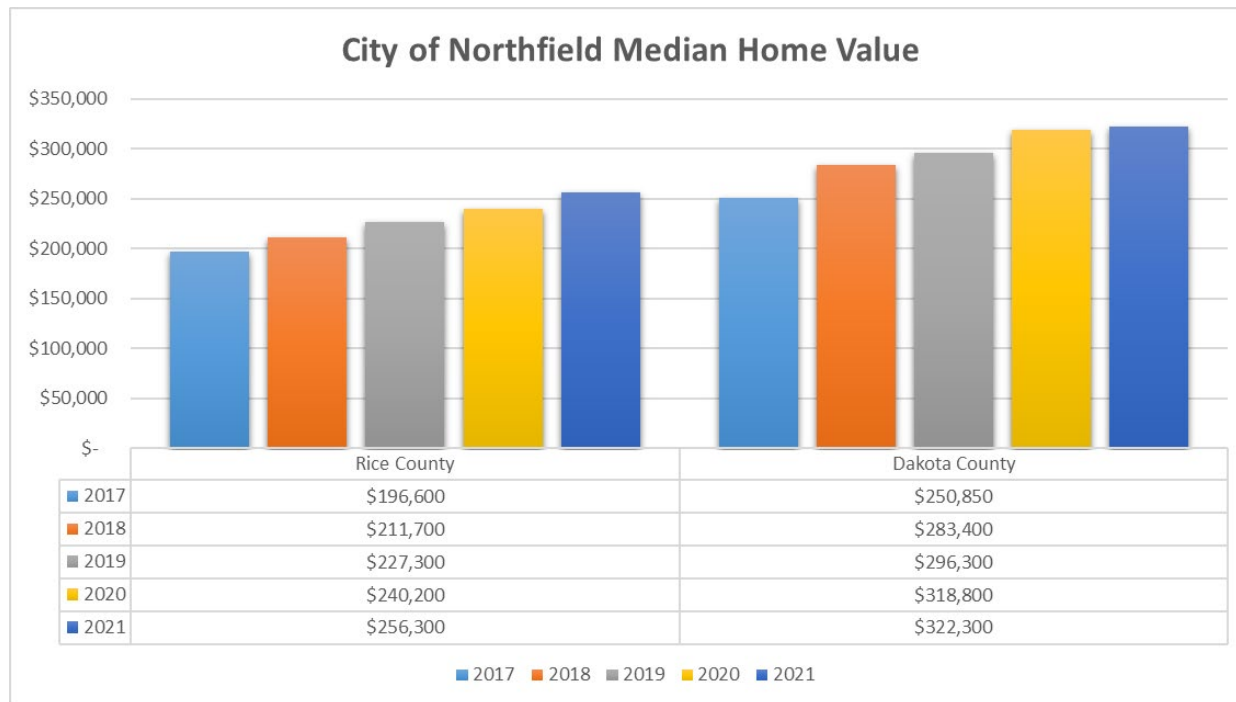
- 3 Preliminary Levy Options discussed
 - 11.8% “baseline”
 - 15.0% - Alternative option
 - 15.9% - Alternative option – includes additional staffing
- Setting the Preliminary Levy is setting a maximum \$ amount
 - The Preliminary Levy will be reflected on tax statements in November
 - Final levy in December can go down, but cannot go up

Estimated Market Value and Net Tax Capacity Changes

- Preliminary estimates for market value and net tax capacity have been received from both Rice and Dakota County
 - Estimated Market Value increase of 6.3%
 - Approximately 19% of this increase is related to new development
 - Estimated Net Tax Capacity increase of 6.4%
 - An increase in net tax capacity helps offset the impact of an increase in the levy

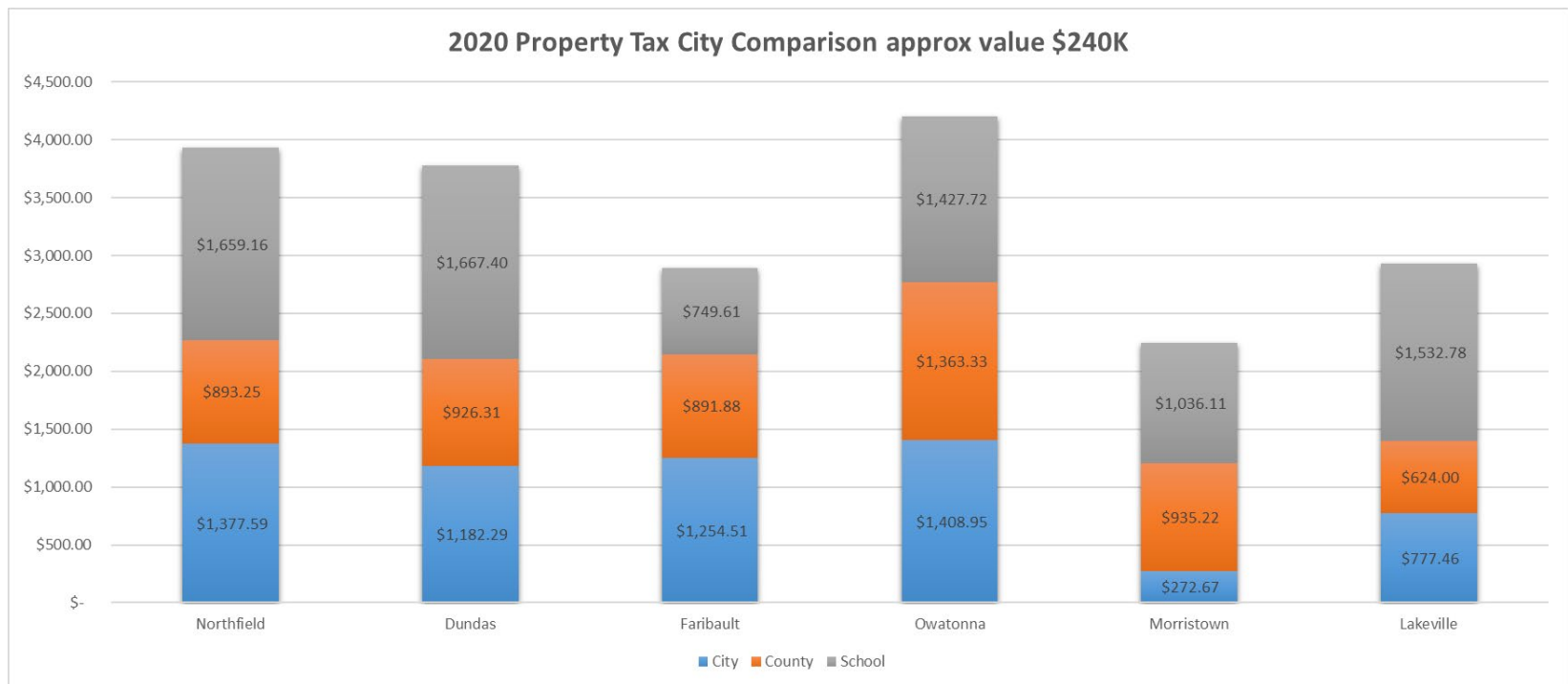
Northfield Median Home Value

- In 2021, Median Home Values increased
 - 6.7% in Rice County (vs 5.7% increase in 2020)
 - 1.1% in Dakota County (vs 8.5% increase in 2020)



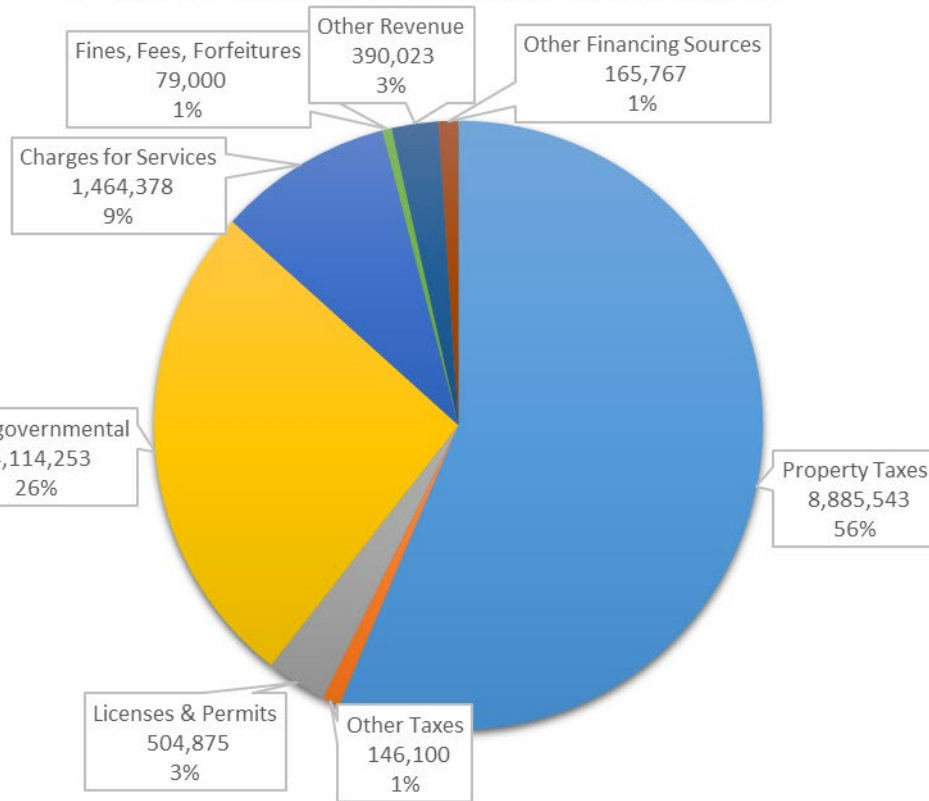
Property Tax Comparison

- Median Home Value Taxes compared to neighboring cities



General Fund Revenue

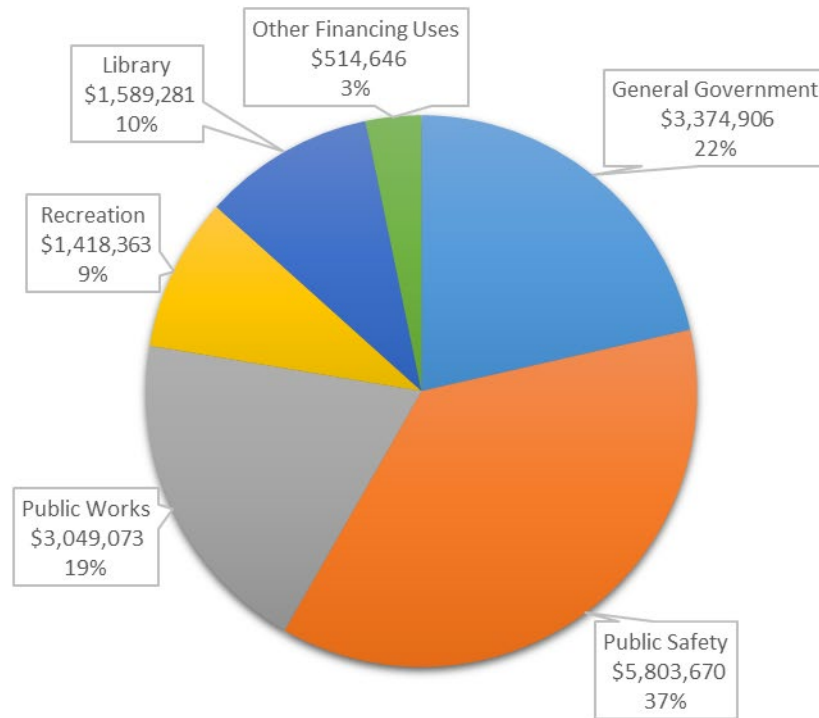
General Fund 2022 Revenue \$15,749,939



LGA is majority of
intergovernmental
21% of total revenue

General Fund Expense

General Fund 2022 Expenditures \$15,749,939



City-wide Levy

	Actual 2020	Actual 2021	Preliminary 2022	\$ Change	% Change
For Operations					
General Fund	7,235,479	7,374,997	8,885,543	1,510,546	20.5%
NCRC Operations	189,472	195,156	195,156	-	0.0%
Transit			-	-	
Park Fund (\$25K for Capital Lease payment)	97,335	100,255	103,265	3,010	3.0%
City Facilities Fund	43,260	44,558	45,898	1,340	3.0%
Vehicle & Equipment Replacement Fund	324,531	440,267	344,295	(95,972)	-21.8%
Total Operations Levy	7,890,077	8,155,233	9,574,157	1,418,924	17.4%
For Other					
Abatement - Roof Repair	30,092	30,092	30,092	-	0.0%
COPS (debt) Police Facility	175,000	175,000	416,073	241,073	137.8%
	205,092	205,092	446,165	241,073	117.5%
For Bonded Debt					
2011A GO Improvement Bonds	55,000	50,000	-	(50,000)	-100.0%
2012A GO Improvement Bonds	55,000	50,000	50,000	-	0.0%
2013A GO Improvement Bonds	75,000	75,000	25,000	(50,000)	-66.7%
2014A GO Improvement Bonds	66,000	55,000	45,000	(10,000)	-18.2%
2015A GO Improvement Bonds	95,000	95,000	95,000	-	0.0%
2016C GO Improvement Bonds	58,000	58,000	15,000	(43,000)	-74.1%
2017A GO Improvement Bonds	60,000	55,000	52,000	(3,000)	-5.5%
2018B GO Improvement Bonds	179,000	182,500	180,000	(2,500)	-1.4%
2019A GO Improvement Bonds	227,008	214,000	214,000	-	0.0%
2020A GO Improvement Bonds		400,321	390,000	(10,321)	-2.6%
2021A GO Street Reconstruction Bonds		-	139,700	139,700	#DIV/0!
Subtotal	1,027,008	1,234,821	1,205,700	(29,121)	-2.4%
Facilities Related					
2016 Equipment Certificates	133,000	133,000	-	(133,000)	-100.0%
Public Project Revenue (Pool)	239,000	230,000	230,000	-	0.0%
2018A NAFRS	215,000	109,000	185,000	76,000	69.7%
2021 Equipment	-	-	62,000	62,000	#DIV/0!
Subtotal	587,000	472,000	477,000	5,000	1.1%
Total Debt Levy	1,819,100	1,911,913	2,128,865	216,952	11.3%
Total General Levy	9,709,177	10,067,146	11,703,022	1,635,876	16.2%
EDA	\$ 262,486	272,985	300,596	27,611	10.1%
HRA	\$ 267,504	278,204	306,731	28,527	10.3%
Total City-Wide Levy	10,239,167	10,618,336	12,310,349	1,692,014	15.9%

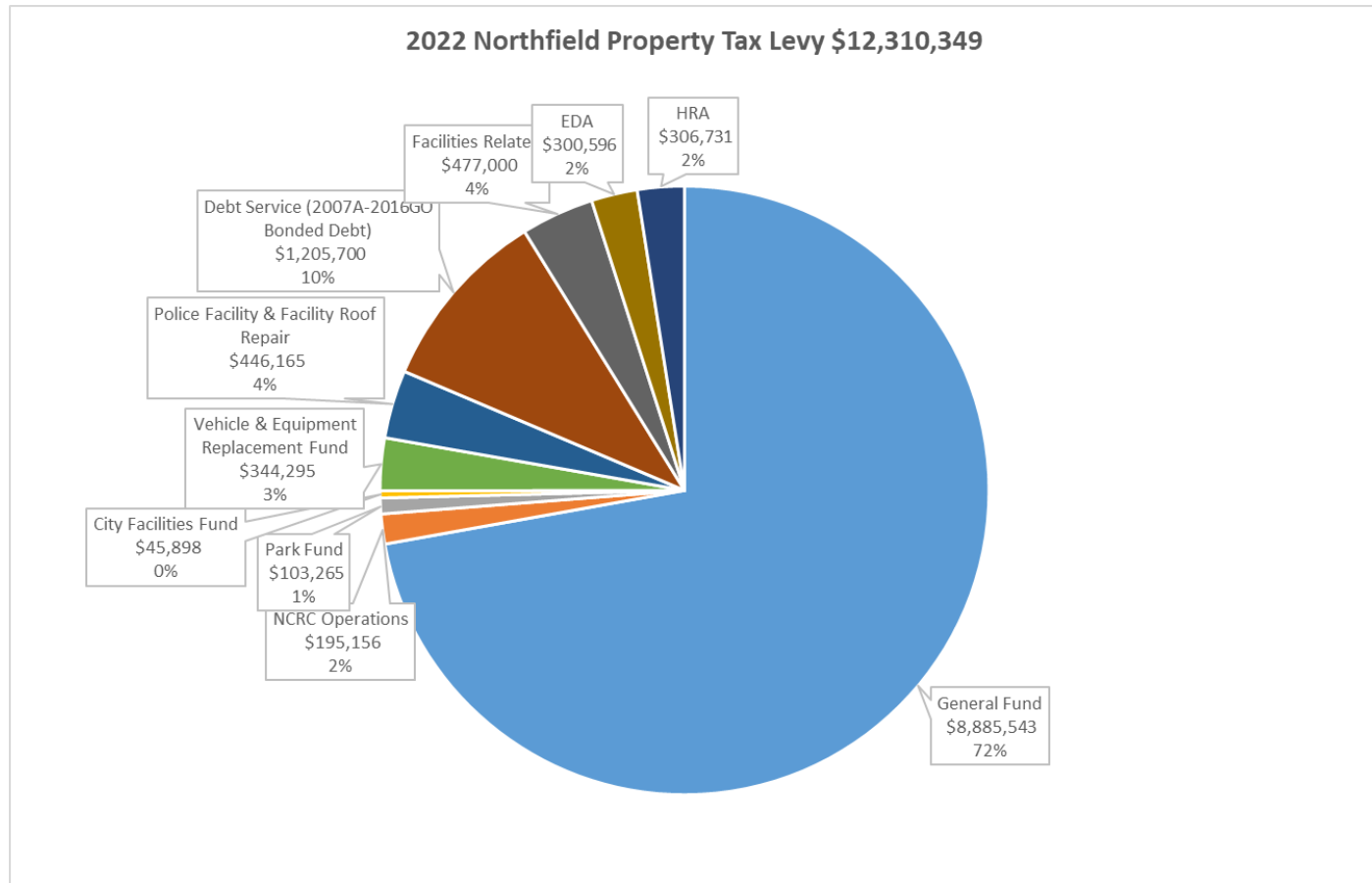
Overall 15.9% increase in
City-wide Levy

Operations
13.3% increase in Levy

All Debt Service Funds
2.0% increase in Levy

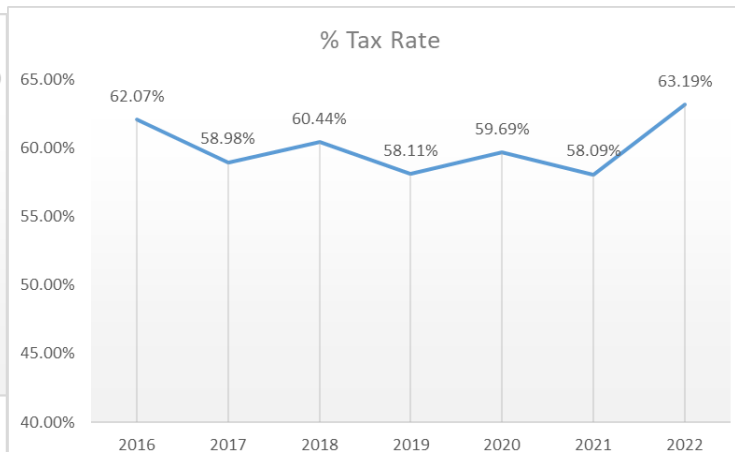
EDA/HRA combined
0.5% increase in Levy

City-wide Levy



15.9% Levy increase

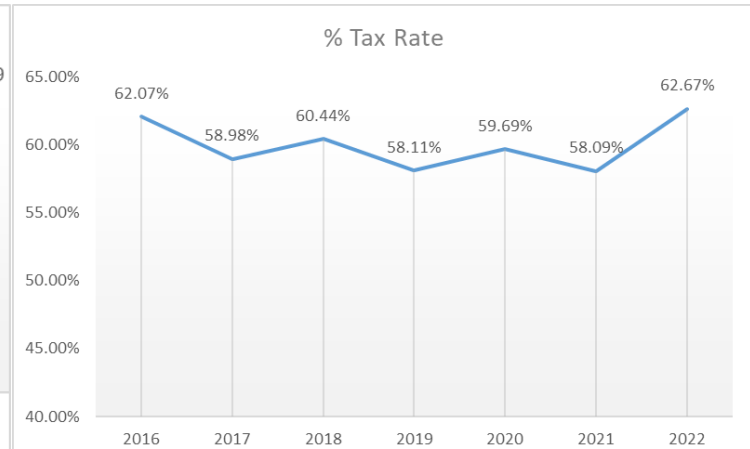
includes added staffing and includes wage & benefit recommendations



Homestead Residential Property - City Tax only						
2021	2022	2021	2022	2022v2021		
Value	Value	Tax Paid	Tax Paid	Annual Change	Monthly Change	% Change
\$150,000	\$150,000	\$734	\$798	\$64	\$5	8.8%
\$150,000	\$159,000	\$734	\$855	\$121	\$10	16.5%
\$175,000	\$175,000	\$892	\$970	\$78	\$7	8.8%
\$175,000	\$185,500	\$892	\$1,036	\$145	\$12	16.2%
\$200,000	\$200,000	\$1,050	\$1,143	\$92	\$8	8.8%
\$200,000	\$212,000	\$1,050	\$1,218	\$168	\$14	16.0%
\$250,000	\$250,000	\$1,367	\$1,487	\$120	\$10	8.8%
\$250,000	\$265,000	\$1,367	\$1,582	\$215	\$18	15.7%
\$300,000	\$300,000	\$1,684	\$1,831	\$148	\$12	8.8%
\$300,000	\$318,000	\$1,684	\$1,945	\$262	\$22	15.5%

15.0% Levy increase

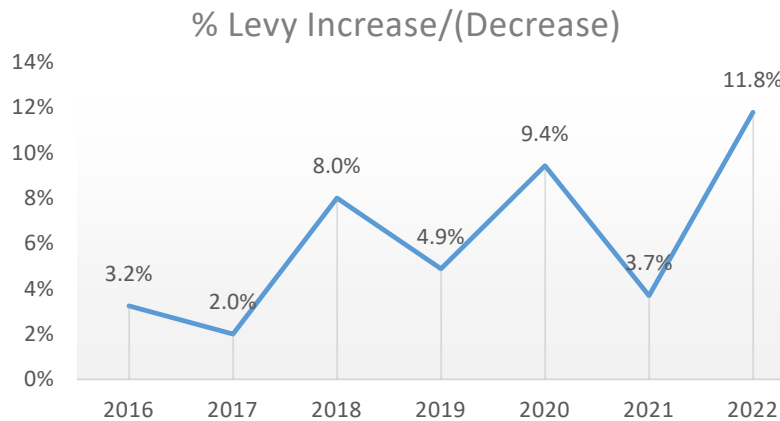
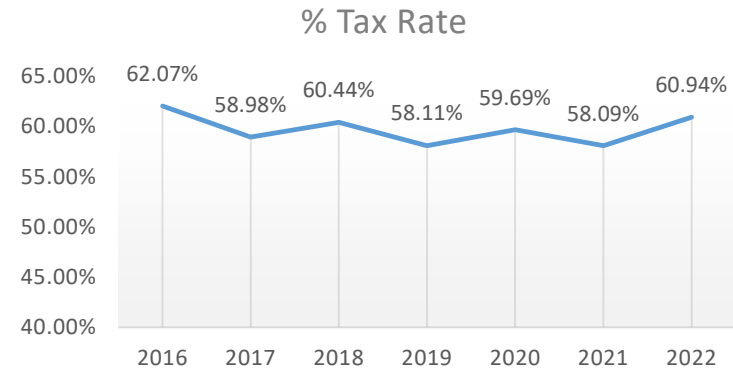
includes some added staffing (a 1% increase in levy equates to approximately \$106K)



Homestead Residential Property - City Tax only						
2021	2022	2021	2022	2022v2021		
Value	Value	Tax Paid	Tax Paid	Annual Change	Monthly Change	% Change
\$150,000	\$150,000	\$734	\$792	\$58	\$5	7.9%
\$150,000	\$159,000	\$734	\$848	\$114	\$10	15.6%
\$175,000	\$175,000	\$892	\$962	\$70	\$6	7.9%
\$175,000	\$185,500	\$892	\$1,028	\$136	\$11	15.3%
\$200,000	\$200,000	\$1,050	\$1,133	\$83	\$7	7.9%
\$200,000	\$212,000	\$1,050	\$1,208	\$158	\$13	15.0%
\$250,000	\$250,000	\$1,367	\$1,475	\$108	\$9	7.9%
\$250,000	\$265,000	\$1,367	\$1,569	\$202	\$17	14.8%
\$300,000	\$300,000	\$1,684	\$1,816	\$133	\$11	7.9%
\$300,000	\$318,000	\$1,684	\$1,929	\$245	\$20	14.6%

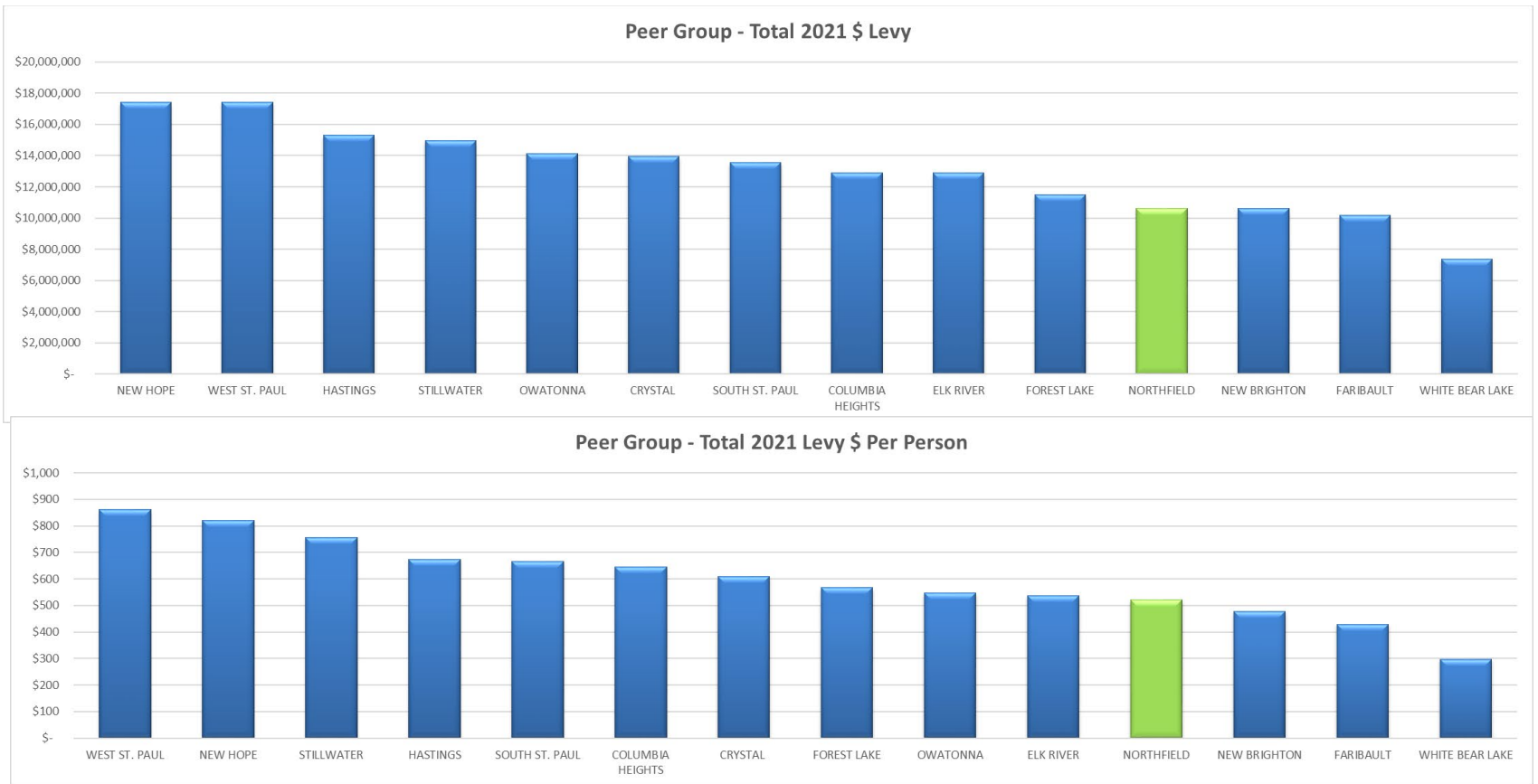
11.8% Levy increase – current “baseline”

without added staffing but includes wage & benefit recommendations
(a 1% increase in levy equates to approximately \$106K)



Homestead Residential Property - City Tax only						
2021	2022	2021	2022	2022v2021		
Value	Value	Tax Paid	Tax Paid	Annual Change	Monthly Change	% Change
\$150,000	\$ 150,000	\$734	\$770	\$36	\$3	4.9%
\$150,000	\$ 159,000	\$734	\$825	\$91	\$8	12.4%
\$175,000	\$ 175,000	\$892	\$935	\$44	\$4	4.9%
\$175,000	\$ 185,500	\$892	\$999	\$108	\$9	12.1%
\$200,000	\$ 200,000	\$1,050	\$1,102	\$51	\$4	4.9%
\$200,000	\$ 212,000	\$1,050	\$1,175	\$125	\$10	11.9%
\$250,000	\$ 250,000	\$1,367	\$1,434	\$67	\$6	4.9%
\$250,000	\$ 265,000	\$1,367	\$1,525	\$158	\$13	11.6%
\$300,000	\$ 300,000	\$1,684	\$1,766	\$83	\$7	4.9%
\$300,000	\$ 318,000	\$1,684	\$1,876	\$192	\$16	11.4%

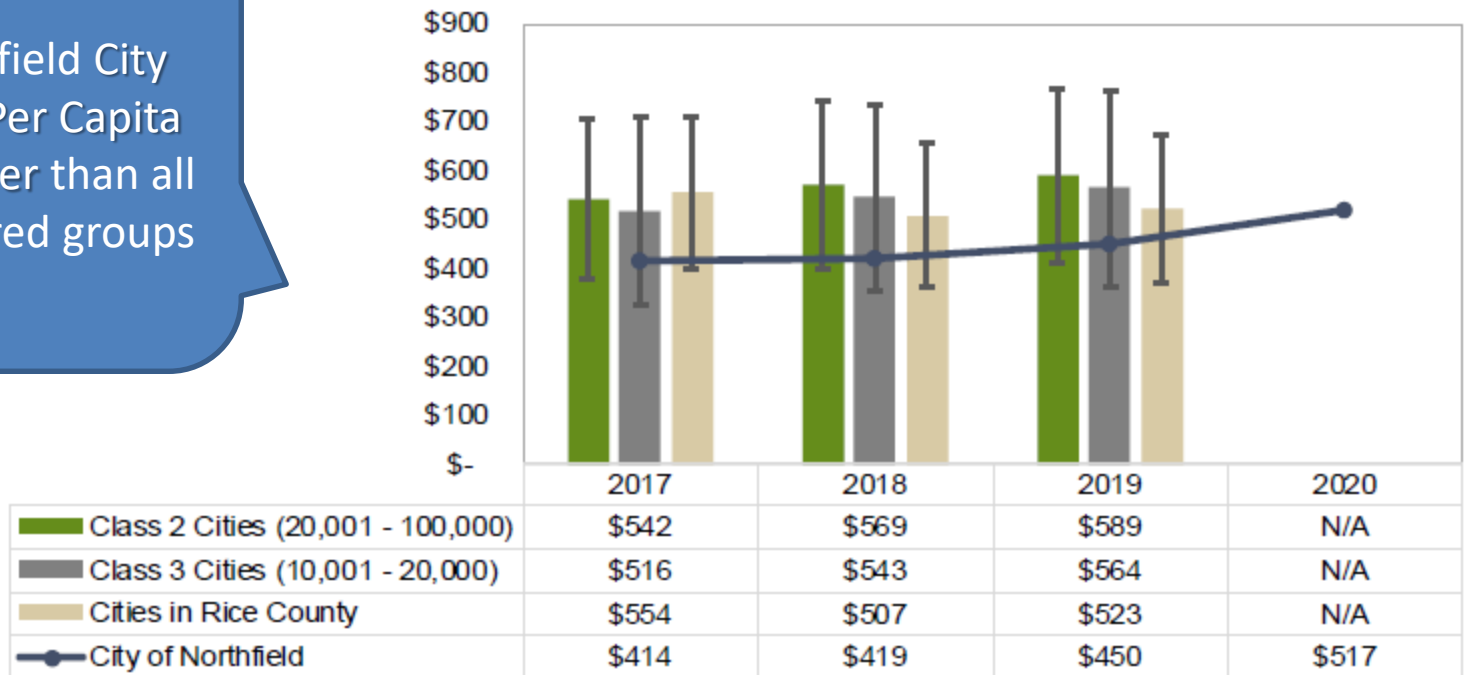
Key Ratios – Peer Comparison



Key Ratios – Peer Comparison

Northfield City
Taxes Per Capita
are lower than all
compared groups

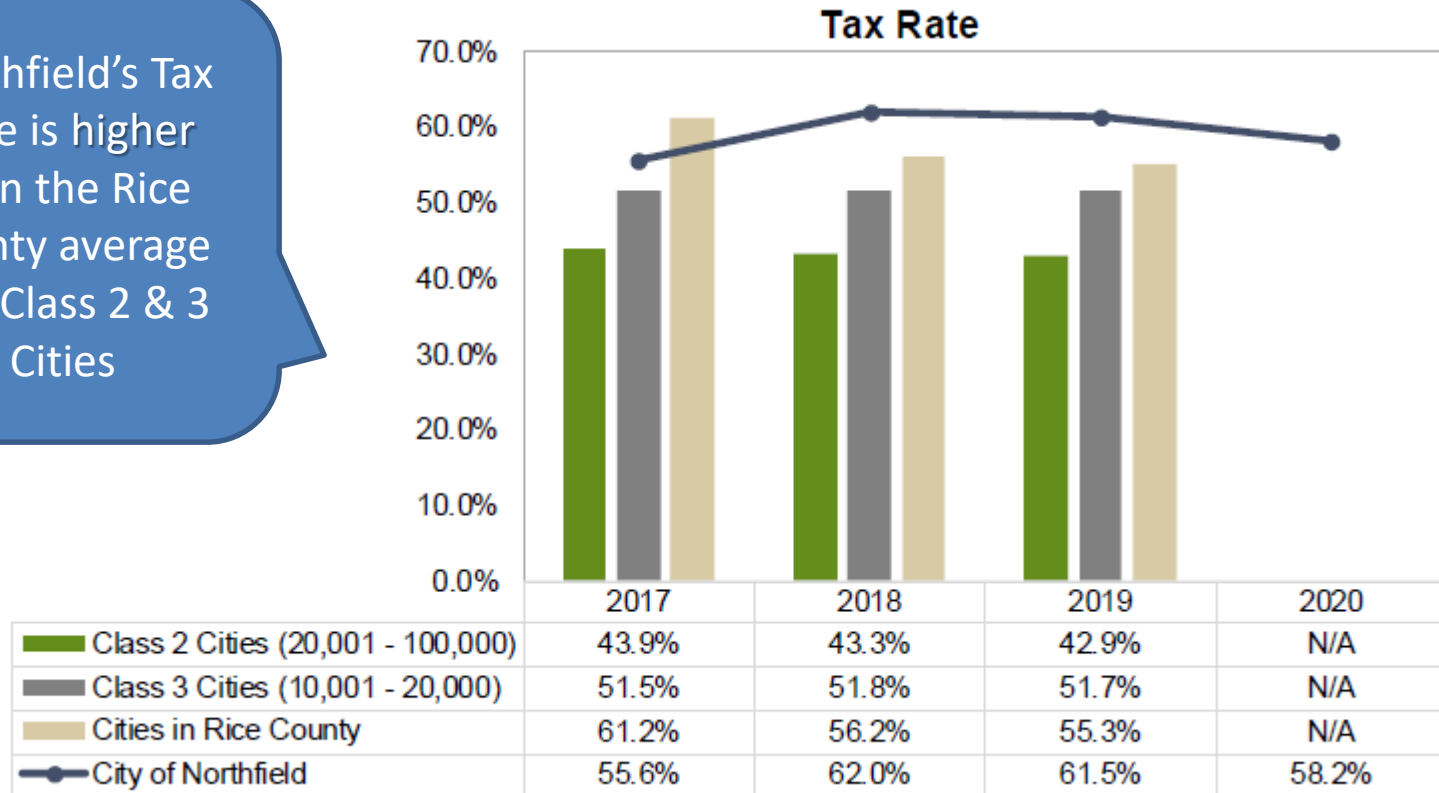
Taxes - Per Capita



Source: Abdo, Eick & Meyers, LLP Audit Presentation

Key Ratios – Peer Comparison

Northfield's Tax Rate is higher than the Rice county average and Class 2 & 3 Cities

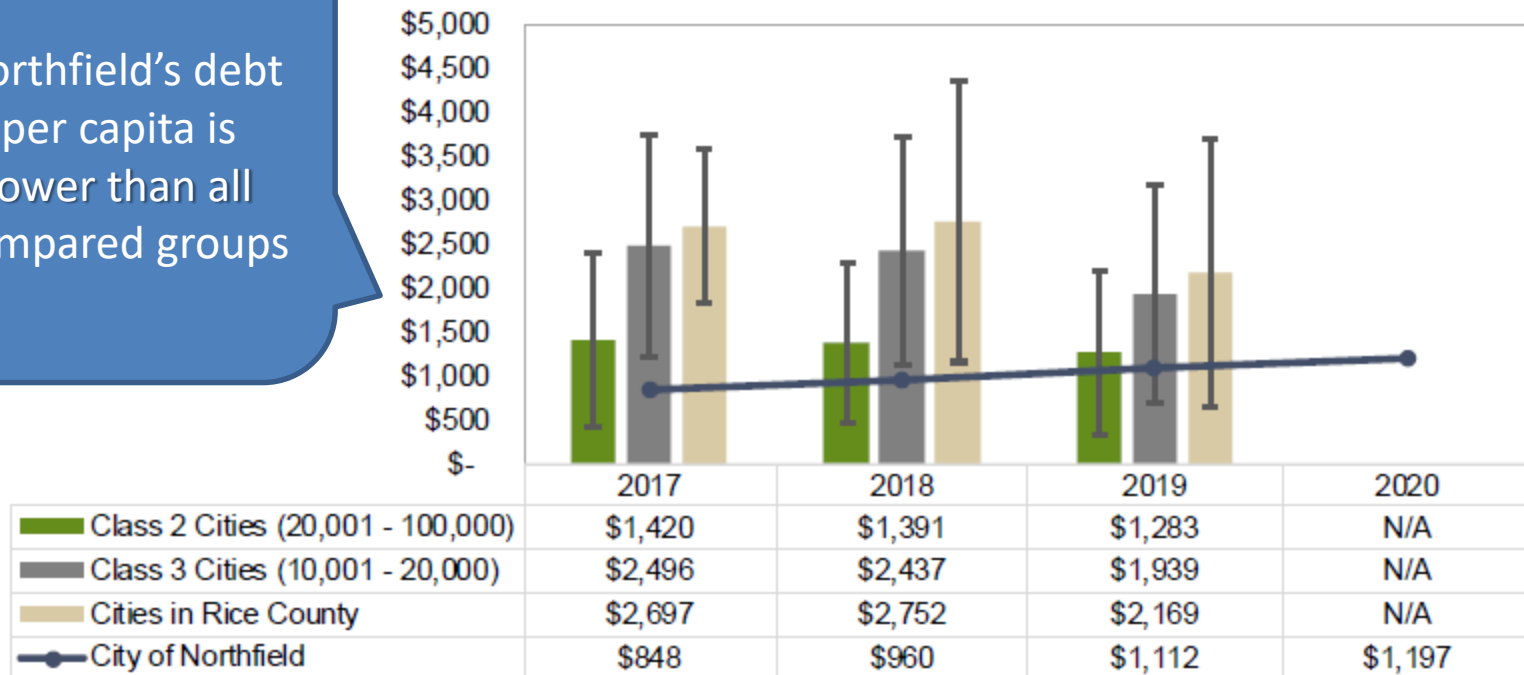


Source: Abdo, Eick & Meyers, LLP Audit Presentation

Key Ratios – Peer Comparison

Northfield's debt per capita is lower than all compared groups

Long Term Debt - Per Capita



Source: Abdo, Eick & Meyers, LLP Audit Presentation

Budget & Levy Schedule

September

- September 21st adoption of 2022 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 21st approve 2021 Utility Rates

October

- October 12th Budget Worksession – prioritize additional expense items

November

- November 9th Budget Worksession – review December presentation and determine recommendation for levy

December

- **December 7th Public Hearing 6:00 p.m. on the 2022 Budget and Tax Levy**
- December 7th approval of Levy and Budget