CITY COUNCIL AGENDA

Brainerd, Minnesota
December 12, 2022
7:30 P.M.

______ G. Johnson
______ W. Bieser
______ T. Stenglein
______ T. Erickson
______ M. O'Day
______ K. Stunek
______ K. Bevans
______ Mayor Badeaux

1. Call to Order

2. Roll Call

3. 2023 Budget and Levy Presentation

4. Public Comment Period

5. Adjourn

WELCOME

2023 BUDGET AND LEVY PUBLIC HEARING
DECEMBER 12, 2022
7:30 P.M.

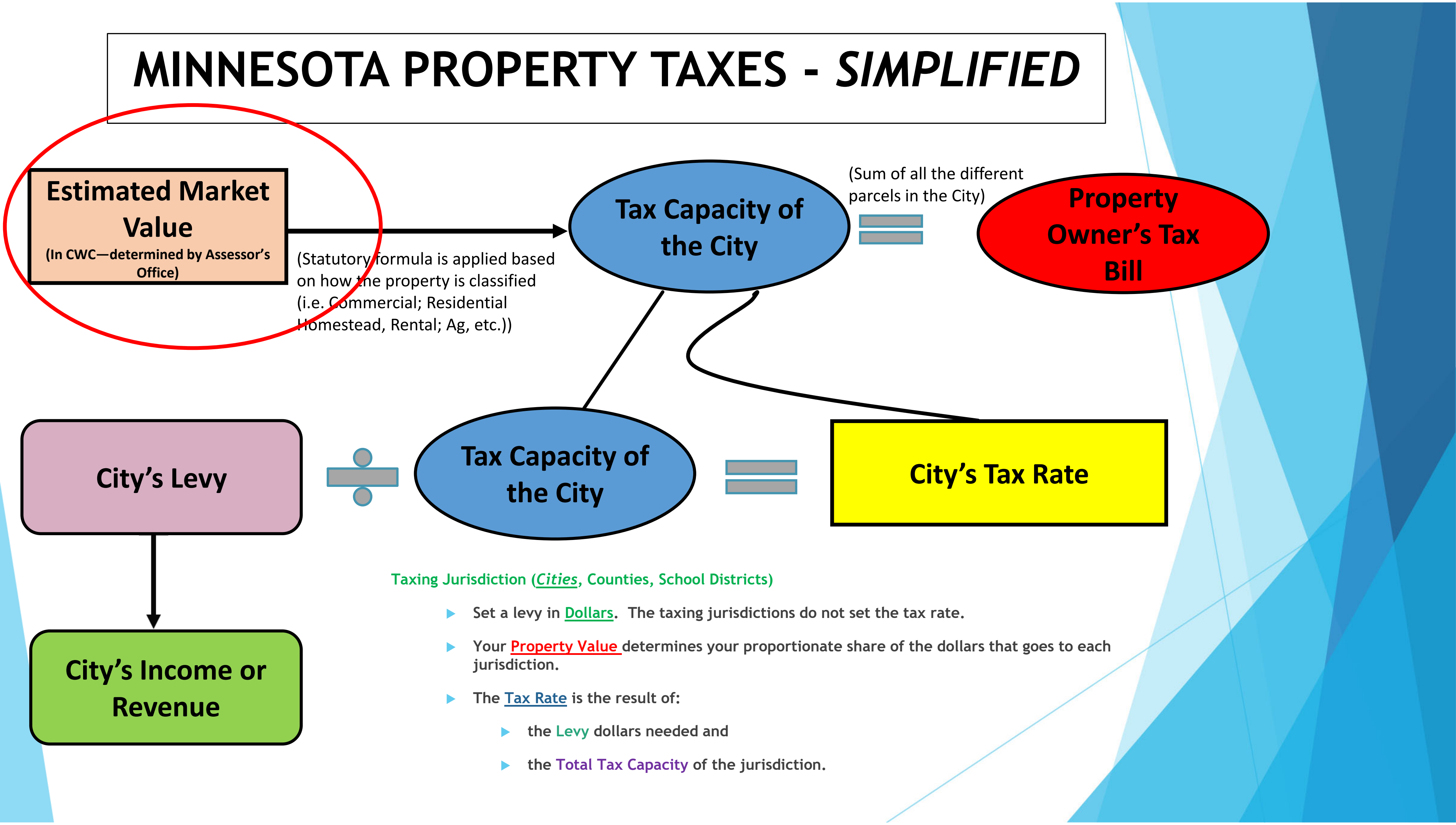
Mission: *"To Commit to providing high quality, cost effective public services and leadership in creating a sustainable city."*

PURPOSE OF TONIGHT’S MEETING

- To discuss the City of Brainerd’s 2023 budget and levy and allow for public input.

- This is <u>not</u> the meeting to discuss the valuation that has been placed on properties – that meeting is held in May.

- Questions regarding property valuation and classification can be directed to Land Services Department at the county.
  - The phone number is 218-824-1010.


MINNESOTA PROPERTY TAXES - *SIMPLIFIED*
Estimated Market Value
(In CWC—determined by Assessor's Office)
(Statutory formula is applied based on how the property is classified (i.e. Commercial; Residential Homestead, Rental; Ag, etc.))
Tax Capacity of the City
(Sum of all the different parcels in the City)
Property Owner's Tax Bill
City's Levy
Tax Capacity of the City
City's Tax Rate
City's Income or Revenue
Taxing Jurisdiction (*Cities*, Counties, School Districts)
Set a levy in Dollars. The taxing jurisdictions do not set the tax rate.
Your Property Value determines your proportionate share of the dollars that goes to each jurisdiction.
The Tax Rate is the result of:
the Levy dollars needed and
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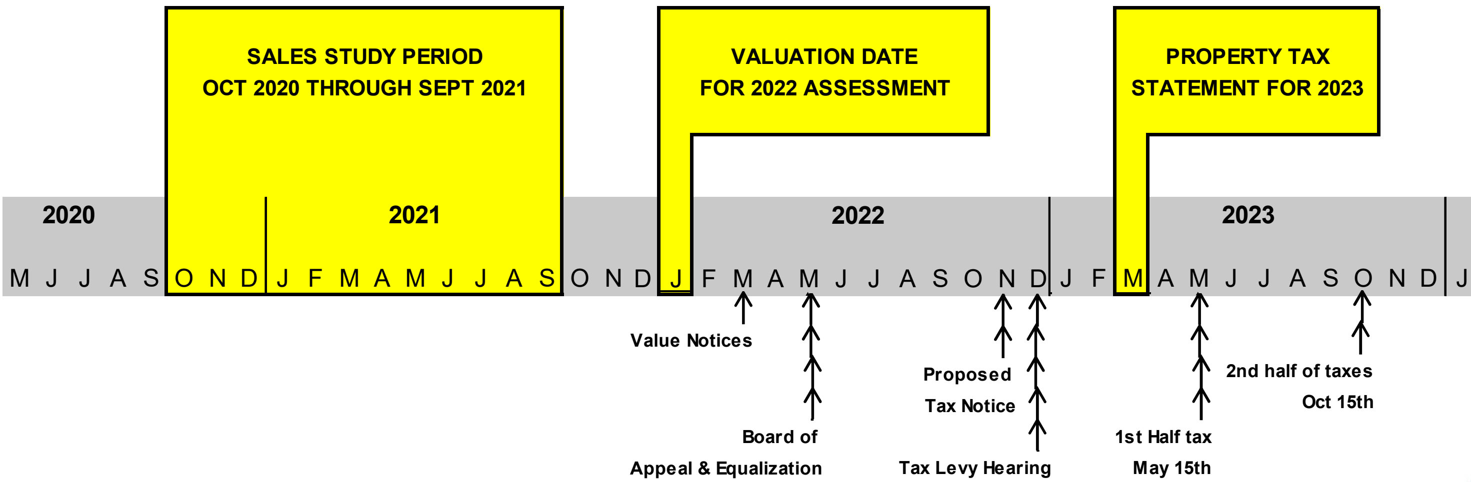
MINNESOTA PROPERTY TAXES

The ***Estimated Market Value of your Property on January 2, 2022*** is what is used to calculate the amount you ***Pay for Property Taxes in 2023.***



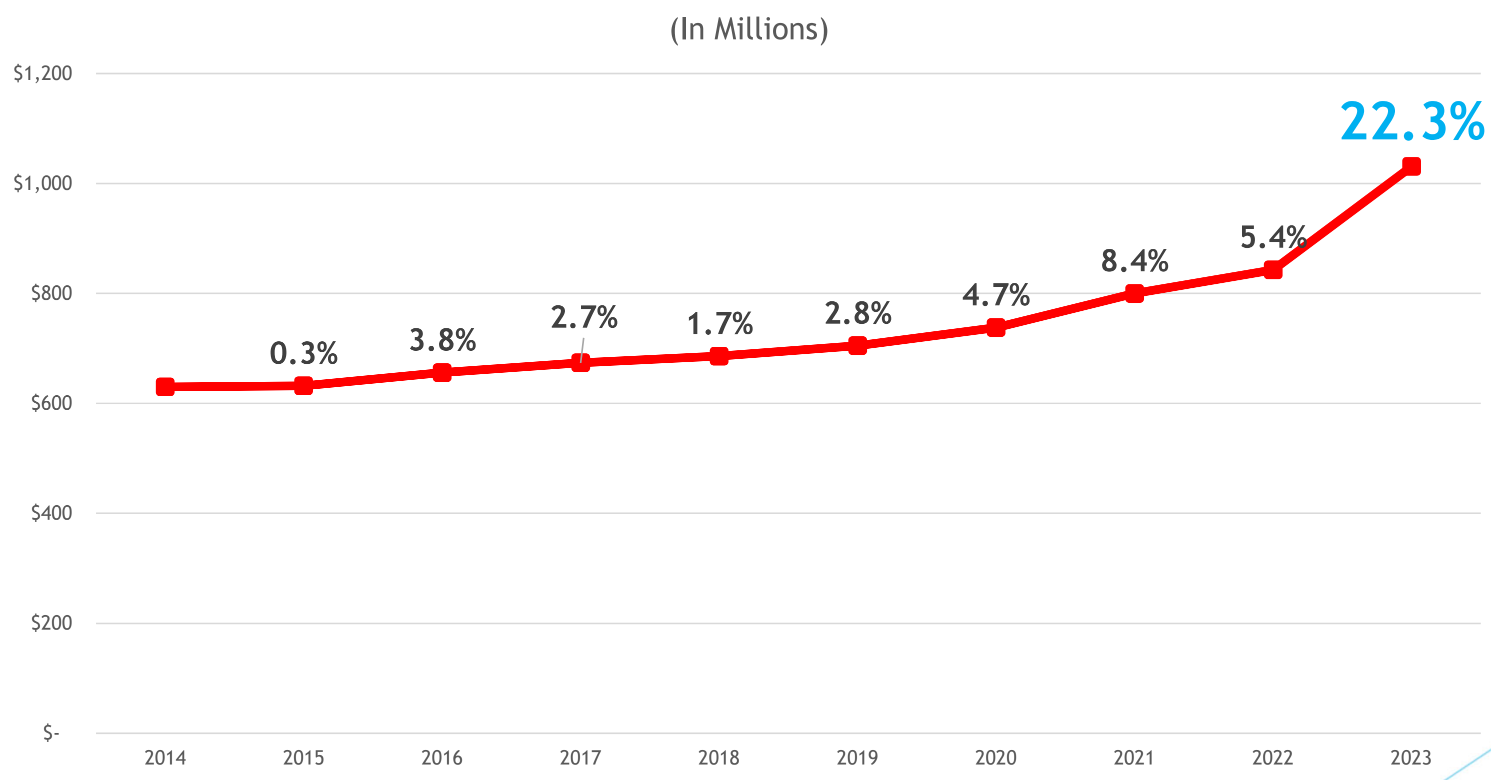
Sales Ratio Study analyzes sales from October 2020 through September 2021.

This study determines the value for the January 2, 2022 assessment date.

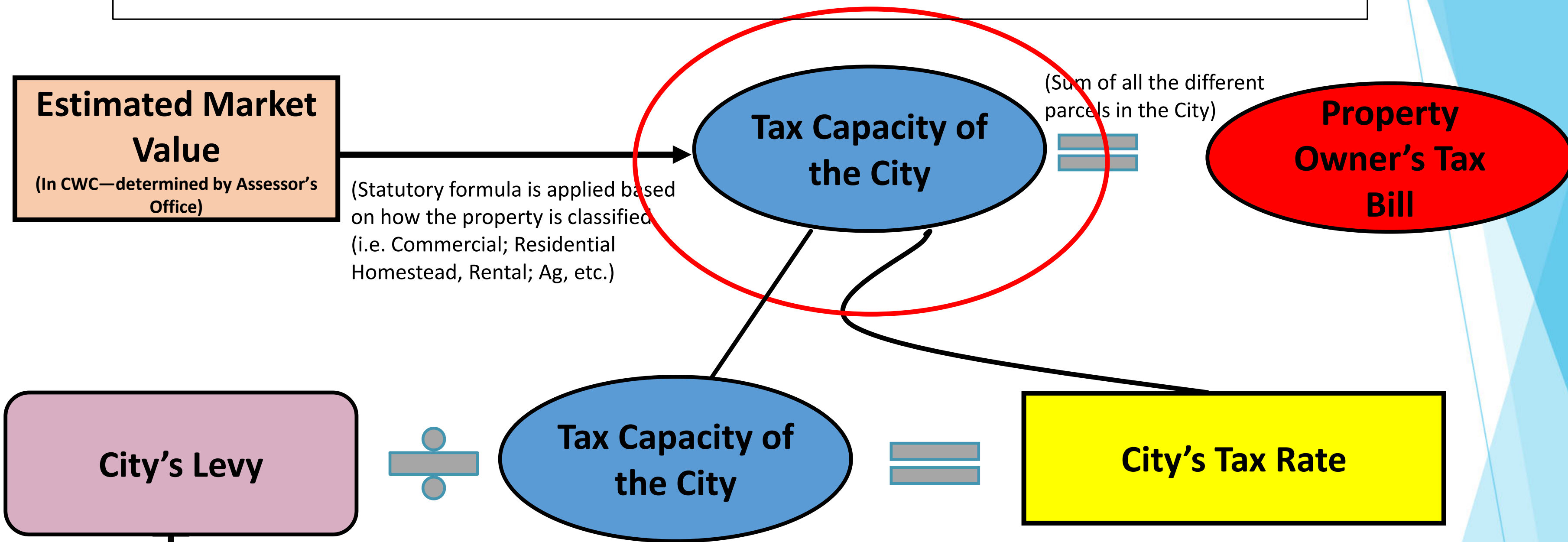
CITY OF BRAINERD'S ESTIMATED MARKET VALUE

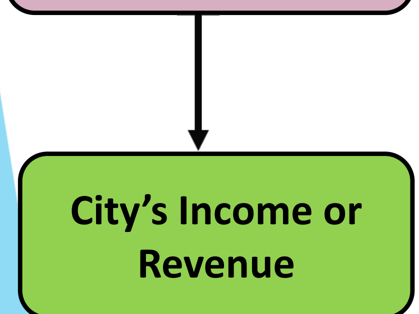
	2022 Pay 2023	2021 Pay 2022	Change	
Residential				
Homestead	$ 604,399,900	$ 487,534,000	$ 116,865,900	24.0%
Non-Homestead	162,286,800	122,595,900	39,690,900	32.4%
Seasonal Residential	3,378,700	1,845,900	1,532,800	83.0%
Total Residential	**$ 770,065,400**	**$ 611,975,800**	**$ 158,089,600**	**25.8%**
Commercial/Industrial				
Commercial	$ 164,711,700	$ 140,244,300	$ 24,467,400	17.4%
Industrial	9,968,700	7,494,900	2,473,800	33.0%
Total Commercial/Industrial	**$ 174,680,400**	**$ 147,739,200**	**$ 26,941,200**	**18.2%**
Other				
Ag/Rural	$ 3,205,600	$ 2,860,700	$ 344,900	12.1%
Apartments	66,309,000	60,513,600	5,795,400	9.6%
Manuf Home Pk Land	427,200	436,200	(9,000)	-2.1%
Personal Property/Railroad/Utility	16,698,900	18,594,600	(1,895,700)	-10.2%
Total Other	**$ 86,640,700**	**$ 82,405,100**	**$ 4,235,600**	**5.1%**
Total Estimated Market Value	**$ 1,031,386,500**	**$ 843,139,100**	**$ 188,247,400**	**22.3%**

CITY OF BRAINERD'S ESTIMATED MARKET VALUE



MINNESOTA PROPERTY TAXES - *SIMPLIFIED*





Taxing Jurisdiction (*Cities*, Counties, School Districts)

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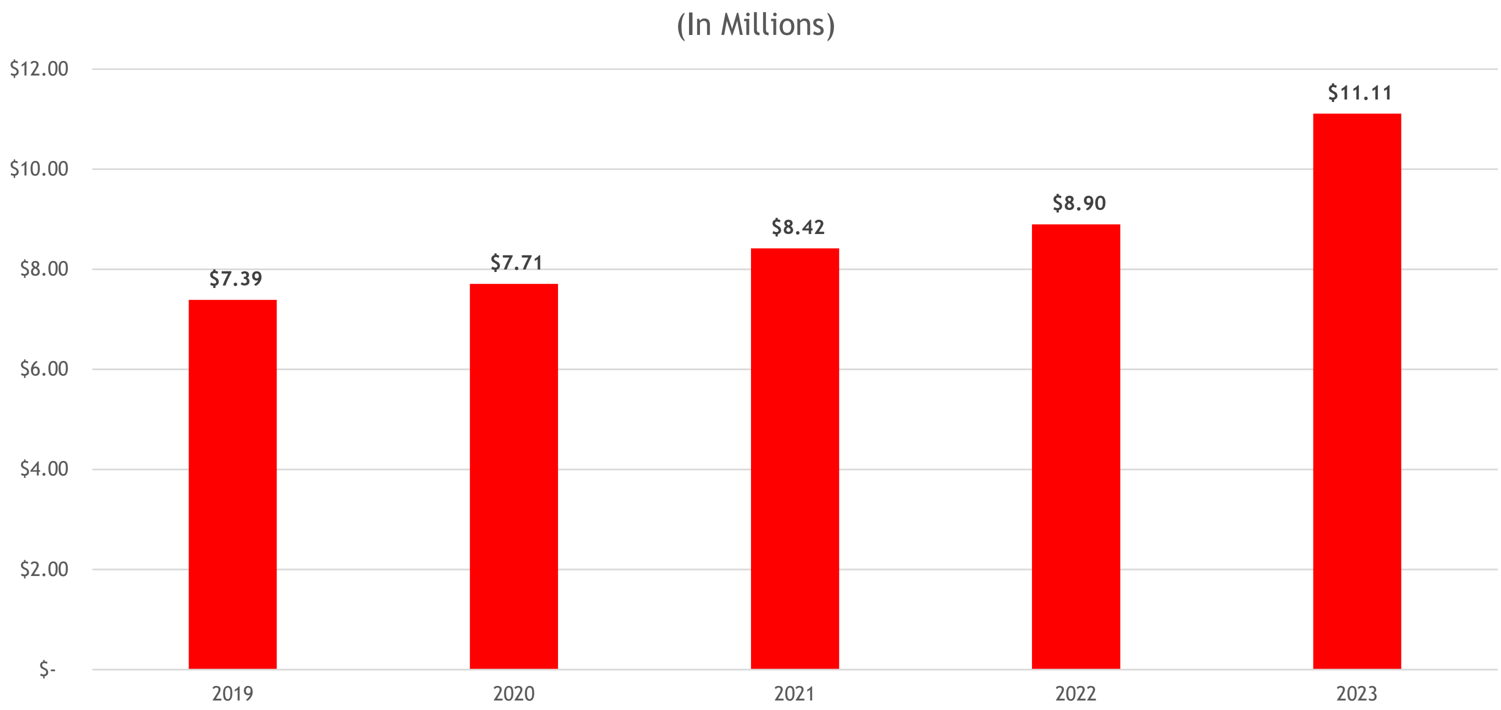
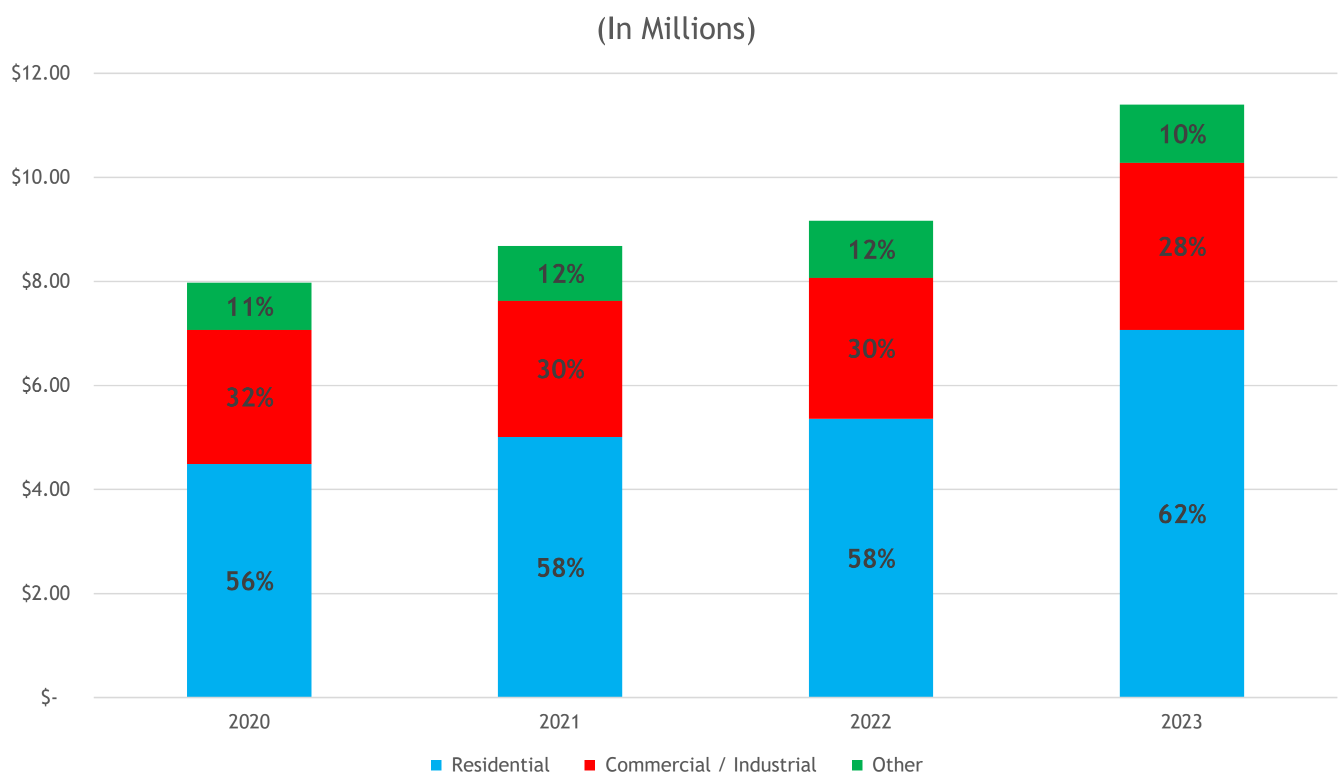
CITY OF BRAINERD'S ESTIMATED TAX CAPACITY



Taking the **Estimated Market Value** and applying the statutory formula based on classifications equates to an estimated **Tax Capacity of $11,108,035** for the City for Pay Year 2023.

CITY OF BRAINERD'S ESTIMATED TAX CAPACITY

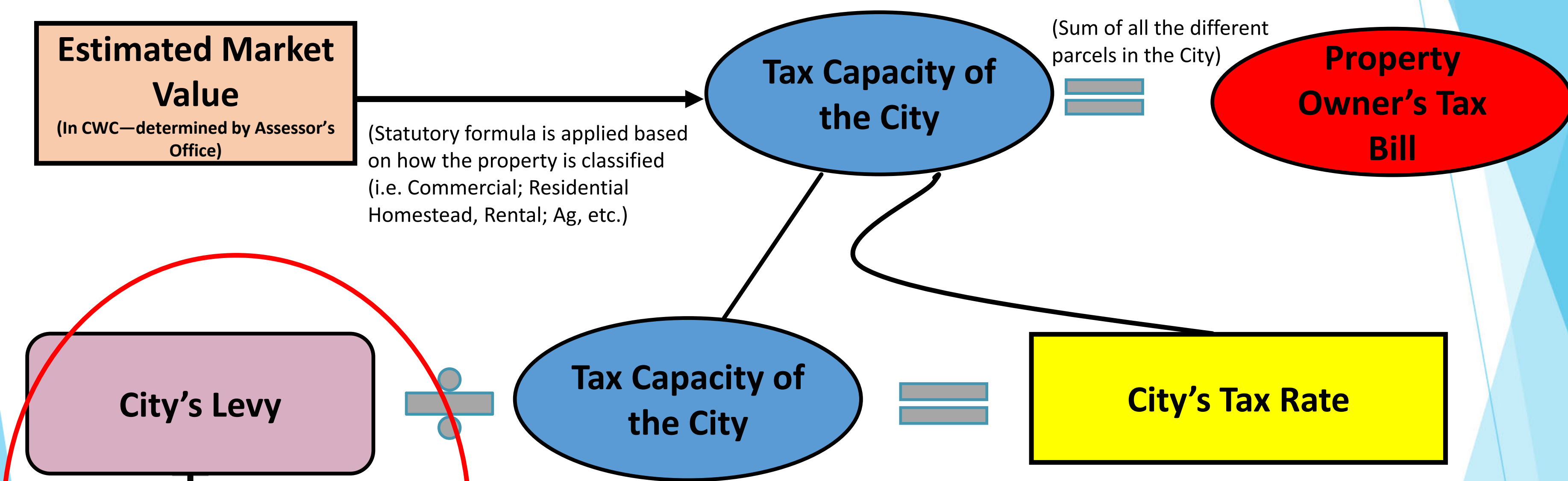


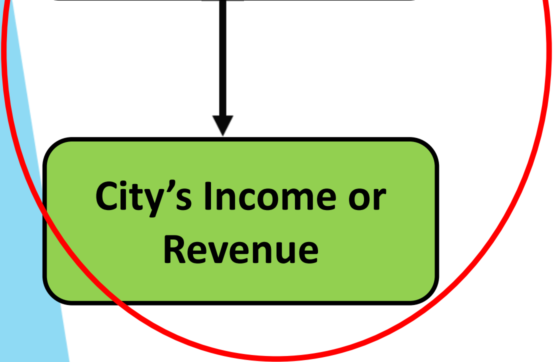
IMPACT OF INCREASED TAX CAPACITY

City's Levy aka City's Revenue ÷ **Increased Tax Capacity** = **Decreased City's Tax Rate**

(No Change)

MINNESOTA PROPERTY TAXES - *SIMPLIFIED*





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CITY OF BRAINERD'S 2023 LEVY

- The City determines it levy through the budgeting process.
- We estimate all of the **expenditures** – i.e. Personnel cost, supplies, services, debt, capital etc..
- We estimate all of the **non-property tax revenues** – i.e. fees, fines, LGA, etc.
- The difference between the two is the **levy** needed.
  - Per LMC Handbook for MN Cities, Chapter 20 Municipal Budgeting **- Budgeting is basically** planning and prioritizing goals **for the coming year** *based on experiences* in the past year or years.

CITY OF BRAINERD'S 2023 LEVY

	Actual 2021	Adopted Budget 2022	CURRENT 2023 Budget	Difference in Budgets	% Difference Current vs 2022 Budget
TOTAL OPERATING EXPENDITURES					
Personnel Services	7,016,076	$ 7,668,965	$ 7,966,913	$ 297,948	3.89%
Supplies	617,841	522,100	615,400	93,300	17.87%
Services	2,476,979	2,598,082	2,834,414	236,332	9.10%
Transfers Out	881,395	432,873	437,932	5,059	1.17%
Total Expenditures	10,992,291	$ 11,222,020	$ 11,854,659	$ 632,639	5.64%

Personnel Services:

- No new full-time budgeted positions, but assuming 2 open positions - Assistant Planner and Engineering Tech will be filled.
- Assumes any new employees will elect the $3,000 family plan option for health insurance.
- Temporary employees have been reduced from 2022 budget for election staff and a temporary employee for IT/GIS (going from 2 to 1).
- Budgeting for 25.5 Sworn Police Officers (2022 budgeted for 26) but planning on getting to 27 during the year. Current staffing level is at 25.

CITY OF BRAINERD'S 2023 LEVY

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TOTAL OPERATING EXPENDITURES					
Personnel Services	7,016,076	$ 7,668,965	$ 7,966,914	$ 297,949	3.89%
Supplies	617,841	522,100	615,400	93,300	17.87%
Services	2,476,979	2,598,082	2,834,414	236,332	9.10%
Transfers Out	881,395	432,873	437,932	5,059	1.17%
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Supplies:

- Increase in Repairs and Maintenance costs and Motor Fuels.

Services:

- Assumes City will continue to lease vehicles.
- Includes services for wage comp study that we have been saving for in the Capital Fund (will be reflected in the Transfers In line item), includes funds for codification, and increases in contracts such as Misdemeanor Prosecutor contract, audit services (new lease standard), etc.
- Increase in Computer Supports for BCA audit mandates, body worn camera support and scheduling software for the Police Department.

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TOTAL CAPITAL	1,266,281	$ 1,255,927	$ 1,255,927	$ -	0.00%

Capital:

- All City owned Facilities.
- To fund equipment needs for all departments other than the Fire Department.
- Fire Equipment needs are funded through the Transfers Out and part of the amount charged to the entities that contract with the City for fire protection.

- Total capital purchases budgeted for 2023 total $683,100 excluding the equipment for the enterprise funds.

2023 BUDGETED CAPTIAL ITEMS

2023 Proposed Capital		Subtotals
City Facilities		
Office Furniture	$ 10,000	
Generator	100,000	***$ 110,000***
Administration		
Scanner	3,600	
Wage Study	45,000	***$ 63,600***
Lease Accounting Software	15,000	
Engineering		
Leased 1/2 ton lease buildup	2,500	
Leased 1/2 ton lease buildup	2,500	***$ 5,000***
IT		
Server Replacement	15,000	
UPS (Battery Backup)	5,000	
Security Cameras	15,000	***$ 55,000***
Door Control Access	20,000	
Police		
Leased Squads Build Up	86,000	
Office Furniture	3,000	***$ 89,000***
Community Development		

Parks		
Walk behind snow blower	4,000	
Mower	22,000	
Sod Cutter	5,000	
Tree Replacement	25,000	
Picnic Table/Grilling Station/Trash Can Replacement	15,000	
Park Weed and Feed Program	25,000	***$ 167,500***
Bench Installation Program	5,000	
Park ADA Upgrades	25,000	
Park Sign Replacement	5,000	
Security Cameras	6,500	
Memorial Park Lights	-	
Buster Gazebo	30,000	
Fire		
Purchase of Squad 1	35,000	
Build up of leased Car 1	10,000	***$ 63,000***
Apparatus iPad Replacement	3,000	
Radios and Pagers	15,000	
Streets		
Tree Replacement	25,000	
Motor Grader	385,000	***$ 130,000***
ARPA Funds	(300,000)	
Garage Gate Opener	20,000	
Total	**$ 683,100**	
Transfer to General Fund for a Reduced Levy	179,975	
Total Cash to be Spent	**$ 863,075**	

2023 BUDGETED CAPTIAL ITEMS

City of Brainerd

Capital Plan: **Summary - Working Funds Only - Includes Fire Capital**

2023-2052 - 30 Years

	2022	2023	2024	2025	2026	2027
Tax Levy: Current	$ 1,255,927	$ 1,255,927	$ 1,255,927	$ 1,255,927	$ 1,255,927	$ 1,255,927
Tax Levy: Add/Sub	301,602	307,332	351,349	357,666	364,299	371,264
Bonds	-	-	-	-	-	-
Other/Grants	-	78,000	-	-	-	-
Under budget	120,600	-	-	-	-	-
Sale of Assets	43,300	135,600	50,850	70,600	75,100	82,000
General Fund		(37,000)	(35,000)	(25,000)	(50,000)	(30,000)
Interest Earnings	3,594	418	1,878	1,363	1,032	3,140
Dedicated to Fire Buildings	65,000	65,000	65,000	65,000	65,000	65,000
Revenues	$ 1,790,023	$ 1,805,277	$ 1,690,004	$ 1,725,556	$ 1,711,358	$ 1,747,331
Vehicles	$ 691,500	$ 126,000	$ 517,500	$ 466,500	$ 136,000	$ 91,500
Equipment	736,000	347,100	574,500	373,900	639,100	719,500
Furniture & Fixtures	5,000	10,000	5,000	5,000	5,000	5,000
Buildings	470,000	50,000	1,120,000	606,000	637,000	407,000
Improvements	115,000	105,000	895,000	441,000	112,111	355,000
Transfers Out	-	224,975	-	-	-	-
Expenditures	$ 2,017,500	$ 863,075	$ 3,112,000	$ 1,892,400	$ 1,529,211	$ 1,578,000
Beginning Cash Balance	$ 2,590,630	$ 2,363,153	$ 3,305,355	$ 1,883,359	$ 1,716,515	$ 1,898,662
Annual Surplus (deficit)	(227,477)	942,202	(1,421,996)	(166,844)	182,147	169,331
Cash Balance	$ 2,363,153	$ 3,305,355	$ 1,883,359	$ 1,716,515	$ 1,898,662	$ 2,067,994
Savings (Water Tower)	287,500	287,500	287,500	287,500	287,500	287,500
Dedicated for Fire Buildings	130,000	195,000	260,000	325,000	390,000	455,000
Rollover of Budgeted Items **	730,639	722,639	722,639	722,639	722,639	722,639
	$ 1,215,014	$ 2,100,216	$ 613,220	*$ 381,376*	*$ 498,523*	*$ 602,855*

CITY OF BRAINERD’S 2023 LEVY

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Total Expenditures	10,992,291	$ 11,222,020	$ 11,854,660	$ 632,640	5.64%
TOTAL CAPITAL	1,266,281	$ 1,255,927	$ 1,255,927	$ -	0.00%
TOTAL DEBT LEVY	912,212	$ 800,615	$ 920,000	$ 119,385	14.91%
OTHER LEVIES					
Perm Improvement	403,532	$ 426,990	$ 375,350	$ (51,640)	-12.09%
Hydrant	605,298	-	-	-	0.00%
Sr Activity/Green Space/Comm Fest.	304,456	320,244	281,511	(38,733)	-12.09%
Library	146,851	146,851	149,788	2,937	2.00%
EDA	133,789	145,036	152,861	7,825	5.40%
Airport	155,500	155,500	155,500	-	0.00%
Total Other Levies	1,749,426	$ 1,194,621	$ 1,115,010	$ (79,611)	-6.66%
TOTAL ESTIMATED EXPENDITURES	**14,920,210**	**$ 14,473,183**	**$ 15,145,596**	**$ 672,413**	**4.65%**

CITY OF BRAINERD'S 2023 LEVY

	Actual 2021	Adopted Budget 2022	CURRENT 2023 Budget	Difference in Budgets	% Difference Current vs 2022 Budget
TOTAL ESTIMATED EXPENDITURES	**14,920,210**	**$ 14,473,183**	**$ 15,145,596**	**$ 672,413**	**4.65%**
TOTAL REVENUE - NON-PROPERTY TAX					
Other Taxes	(307,981)	$ (288,800)	$ (274,000)	$ (14,800)	-5.12%
Licenses & Permits	(413,823)	(487,470)	(440,990)	(46,480)	-9.53%
Grants & Aids	(5,024,126)	(5,059,977)	(5,197,468)	137,491	2.72%
Revenue from Other Gov'ts	(244,137)	(286,468)	(324,512)	38,044	13.28%
Charges for Services	(980,130)	(961,193)	(968,036)	6,843	0.71%
Fines & Forfeitures	(134,443)	(146,500)	(127,000)	(19,500)	-13.31%
Other Revenues	(923,115)	(849,149)	(1,032,632)	183,483	21.61%
Transfers In	(341,631)	(122,800)	(352,458)	229,658	187.02%
Total Revenues	**(8,369,386)**	**$ (8,202,357)**	**$ (8,717,096)**	**$ 514,739**	**6.28%**
(USE)/ADDITION TO FUND BALANCE					
Election		$ (15,000)	$ 15,000	$ (30,000)	
Estimated Levy	**6,550,824**	**$ 6,255,826**	**$ 6,443,500**	**$ 187,674**	**3.00%**

CITY OF BRAINERD'S 2023 LEVY

- The 2023 preliminary levy was adopted in September at **$6,852,566**.
  - This is a **9.54%** increase or **$596,740** over the 2022 levy.
    - The 2023 preliminary levy was used to compute the proposed property tax statements property owners just received.
    - The City's final levy, set in December can be lower but not higher than the preliminary levy.
- The preliminary levy was set at this amount as the City needed **5.54%** to cover expenditures and was **$250,000** or an additional **2%** short on paying It's share of the lawsuit - which is $1.9 million.

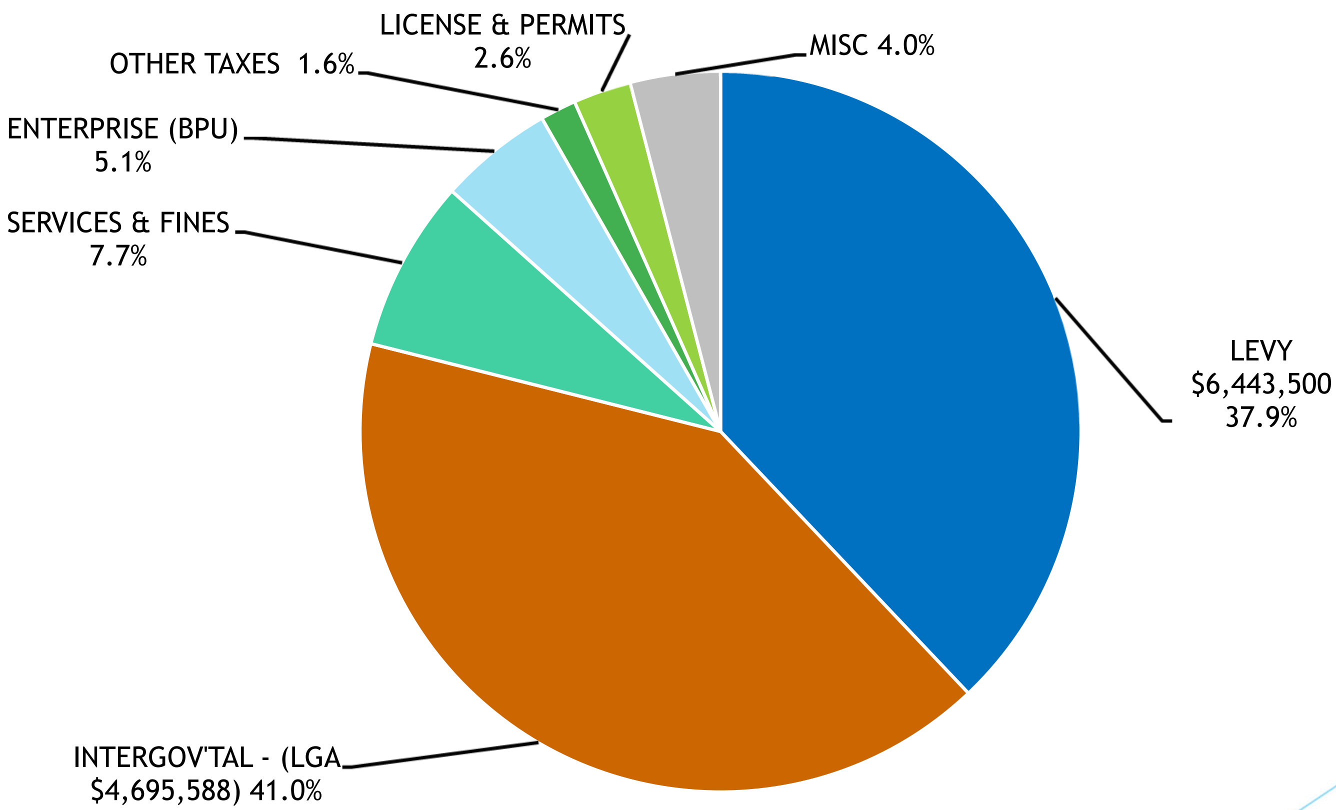
CITY OF BRAINERD’S 2023 LEVY

- Since September:
  - The Council has transferred funds from debt service funds where bonds that have been paid off to the General Fund to pay for the lawsuit.
  - Have dedicated the proceeds from the sale of industrial lots to also pay for the lawsuit.
  - Therefore, the final levy could be set at a **5.88%** increase to cover budgeted expenditures.
- At a November Workshop, options to reduced the levy even more were discussed.
- Council provided direction to Staff to prepare for tonight’s hearing with a proposed final levy with a **3%** increase.
  - This was achieved by doing a one-time transfer of approximately $180,000 from the Capital Fund to the General Fund.

CITY OF BRAINERD'S 2023 LEVY

Levy Year Collected	Preliminary Levy Amount	% Change	Final Levy Amount	% Change
2010	4,262,308	7.57%	4,112,308	3.80%
2011	4,112,308	0.00%	4,055,836	-1.37%
2012	4,205,836	3.70%	3,953,486	-2.52%
2013	3,953,486	0.00%	3,953,486	0.00%
2014	4,453,486	12.65%	4,453,486	12.65%
2015	4,898,835	10.00%	4,898,835	10.00%
2016	6,139,240	25.32%	5,217,260	6.50%
2017	5,373,778	3.00%	5,373,778	3.00%
2018	5,561,860	3.50%	5,561,860	3.50%
2019	5,895,572	6.00%	5,895,572	6.00%
2020	6,131,395	4.00%	6,072,439	3.00%
2021	6,315,337	4.00%	6,133,163	1.00%
2022	6,255,826	2.00%	6,255,826	2.00%
2023	**6,852,566**	**9.54%**	**6,443,501**	**3.00%**

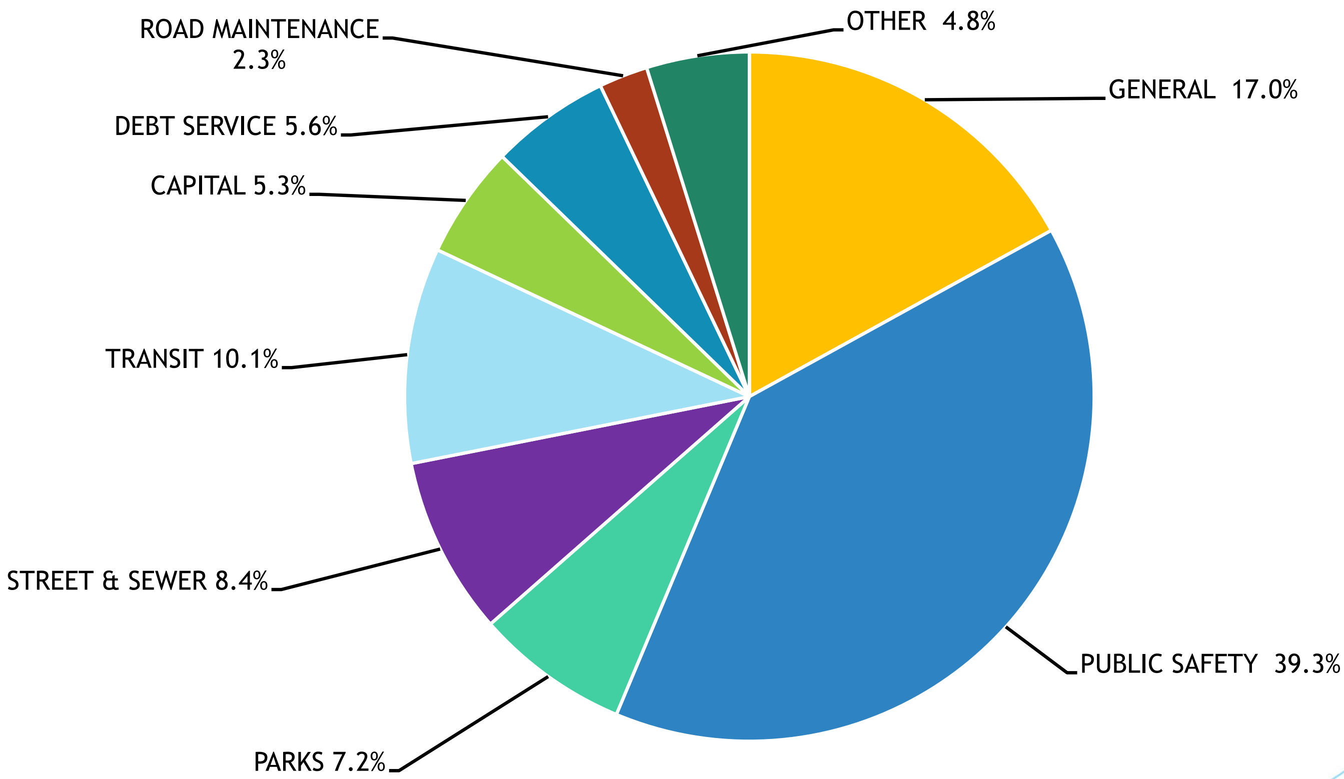
CITY OF BRAINERD'S 2023 LEVY
Budgeted Revenues



62.1% of Budgeted Revenues come from sources other than Property Taxes

(Sanitary & Storm Sewer Funds - Enterprise Funds)

CITY OF BRAINERD'S 2023 LEVY
Budgeted Expenditures



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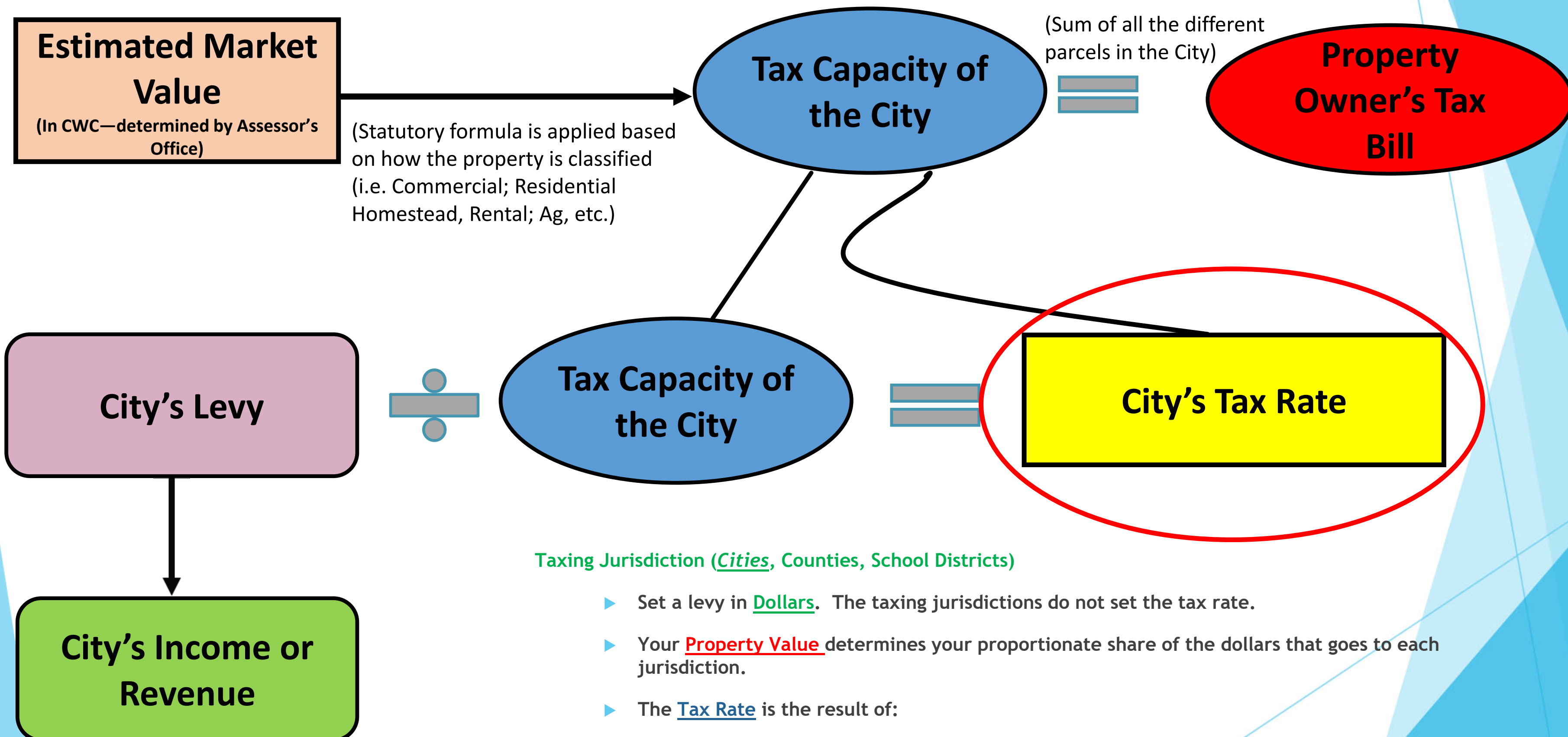
MINNESOTA PROPERTY TAXES - *SIMPLIFIED*



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2023 PROPOSED TAX RATE

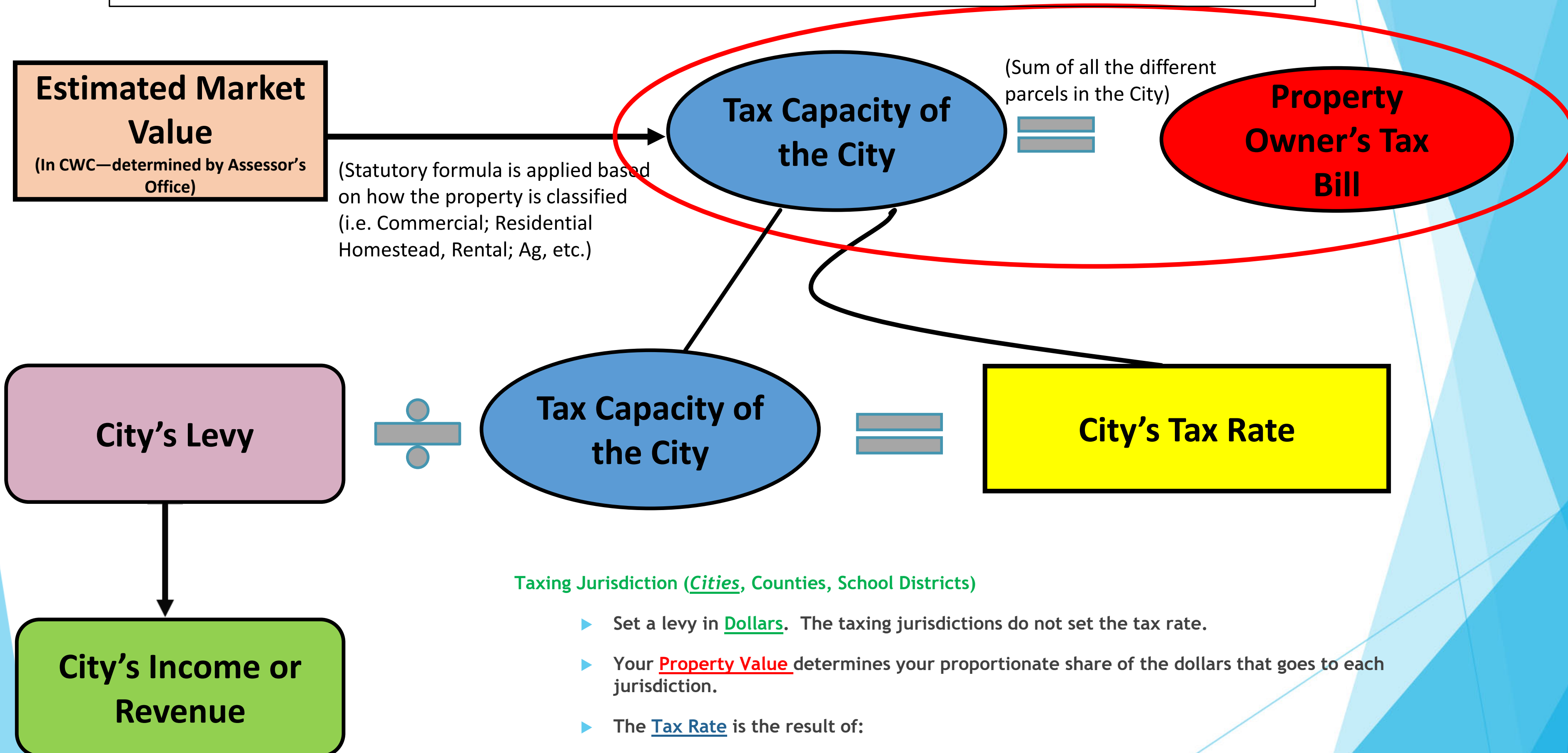
- With a levy of **$6,443,500** (3% increase)- the City's estimated 2023 tax rates is:

  58.536%

- This rate is an estimated *decrease* of 12.375% from the 2022 tax rate of 70.911%.

- Keep in mind:
  - The preliminary levy was set at **$6,852,566** (9.54% increase), and the estimated tax rate was 62.237%.
    - This is what was used for the proposed tax statements just received.
  - The City Council ***does not*** set the tax rate. The tax rate is the result of the **Levy Amount set by the Council**, and the total **Tax Capacity of the City.**

MINNESOTA PROPERTY TAXES - *SIMPLIFIED*



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ESTIMATING CITY IMPACT – NO CHANGE IN EMV

Residential Homestead					
	Estimated Market Value	Tax Capacity	Calculated Tax Rate	Annual City Tax Liability	Annual Change
2022	$ 140,000	1,154	70.911%	818.31	-
No Change in Levy	140,000	1,154	56.829%	655.58	(162.73)
3% Increase in Levy	140,000	1,154	58.536%	675.27	(143.04)
9.54% Increase in Levy	140,000	1,154	62.237%	717.97	(100.35)

Estimated Market Value: $140,000
Homestead Exclusion: (24,640) 40% on first $76,000, reduced by 9% over $76,000, $0 if EMV >$413,000
$115,360
x 1% (if EMV is less than $500,000)
Tax Capacity of: **$ 1,154** X 70.911% = $818.31

ESTIMATING THE IMPACT - CHANGE IN EMV

Residential Homestead					
	Estimated Market Value	Tax Capacity	Calculated Tax Rate	Annual City Tax Liability	Annual Change
2022	$ 140,000	1,154	70.911%	818.03	-
No Change in EMV	140,000	1,154	**62.237%**	717.97	(100.06)
10% Increase in EMV	154,000	1,306	**62.237%**	812.94	(5.09)
16.01% Increase in EMV	162,414	1,398	**62.237%**	870.02	51.99
22% Increase in EMV	170,800	1,489	**62.237%**	926.91	108.88
25% Increase in EMV	175,000	1,535	**62.237%**	955.40	137.37
30% Increase in EMV	182,000	1,611	**62.237%**	1,002.89	184.86
**** 9.54% Increase in Levy					

Residential Homestead					
	Estimated Market Value	Tax Capacity	Calculated Tax Rate	Annual City Tax Liability	Annual Change
2022	$ 140,000	1,154	70.911%	818.03	-
No Change in EMV	140,000	1,154	**58.536%**	675.27	(142.76)
10% Increase in EMV	154,000	1,306	**58.536%**	764.60	(53.43)
16.01% Increase in EMV	162,414	1,398	**58.536%**	818.28	0.25
22% Increase in EMV	170,800	1,489	**58.536%**	871.79	53.76
25% Increase in EMV	175,000	1,535	**58.536%**	898.59	80.56
30% Increase in EMV	182,000	1,611	**58.536%**	943.25	125.22
**** 3.0% Increase in Levy					

To compute the updated City tax liability to be for pay year 2023, take the City Tax Liability from the proposed tax and subtract 5.95%:

$926.91 * 5.95% = $55.15;
$926.91 - 55.15 = $871.76

ESTIMATING TOTAL TAX IMPACT - CHANGE IN EMV

TOTAL TAX BILL - 3.0% INCREASE IN CITY LEVY - RESIDENTIAL HOMESTEAD PROPERTY

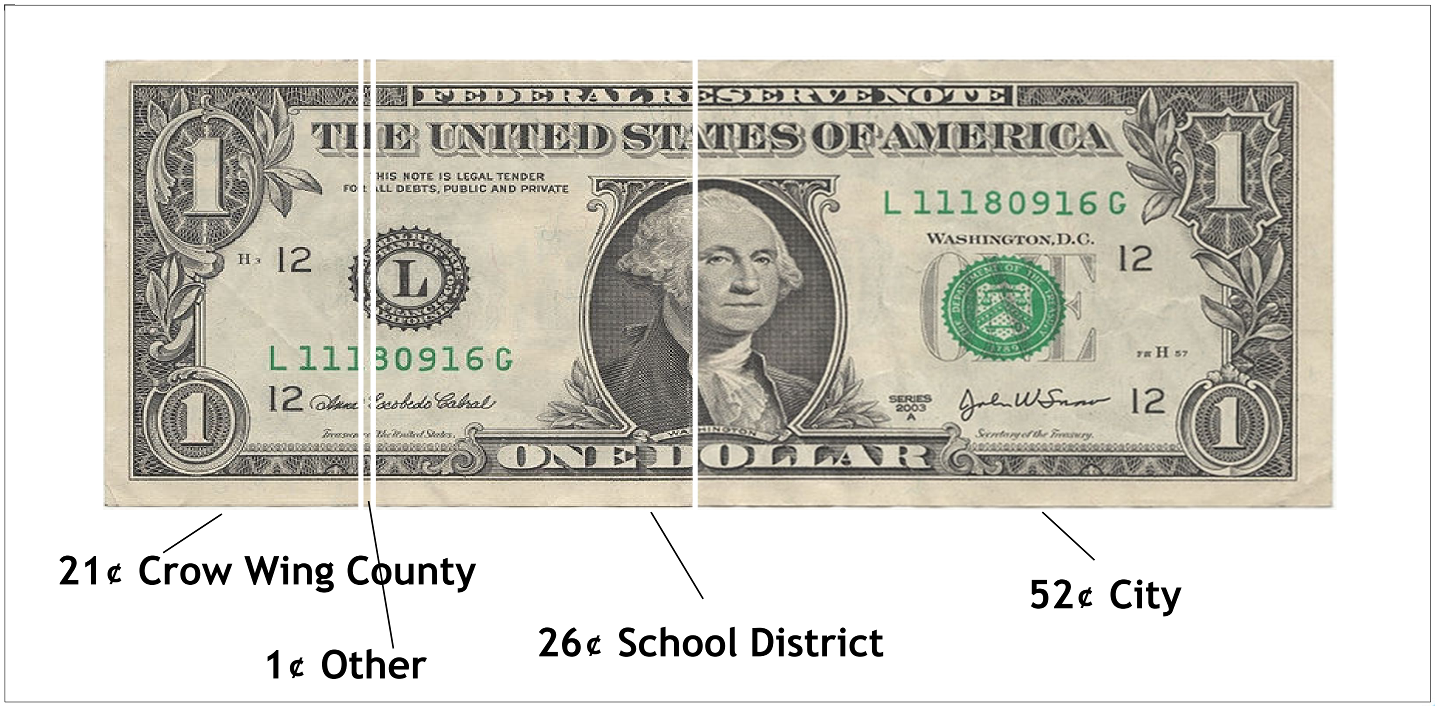
				Estimated Effect of Change in Tax Rate					Estimated Effect of Change in EMV					
Taxes Payable	**Actual EMV**	**Actual Tax Liability**	**Actual Change Per Year**	**EMV Using 2022 As the Base Year**	**Calculated Tax Capacity**	**Total Tax Rate**	**Total Tax Liability**	**Change Per Year**	**Calculated Tax Capacity on Actual EMV**	**Difference in Tax Capacity Due to Change in EMV**	**Total Tax Rate**	**City Tax Liability for Year Based on Change in Value**	**Change Per Year**	**Total Calculated Change Per Year**
2022 (Base Year)	140,000.00	1,665.33		140,000	1,153.60	131.147%	1,665.33	-	1,153.60	-	131.147%	-	-	-
Proposed 2023	170,800.00	1,702.82	**37.49**	140,000	1,153.60	105.053%	1,325.21	**(340.12)**	1,489.32	335.72	105.053%	377.61	**377.61**	37.49
$ Increase	**30,800.00**		**37.49**					**(340.12)**					**377.61**	**37.49**
% Increase	**22.00%**		**2.25%**					**-20.42%**					**22.68%**	**2.25%**

Total Prel 2023 Tax Liability	1,757.94	**5.56%**
Prel 2023 City Tax Liability	926.91	
5.95%	(55.15)	
Update for 3% levy increase	1,702.79	

	County	City	School	Special	Total	School - Voter Approv
2022	31.149%	70.911%	27.303%	1.784%	131.147%	0.10887%
2023	23.677%	58.536%	21.342%	1.498%	105.053%	0.08094%

							Total
	359.33	818.03	314.97	20.58	**1,512.91**	152.42	***1,665.33***
	352.63	871.79	317.85	22.31	**1,564.58**	138.25	***1,702.82***
Difference	(6.71)	53.76	2.88	1.73	**51.66**	(14.17)	***37.49***

DIVIDING UP THE PROPOSED DOLLAR - RESIDENTIAL



ESTIMATING THE IMPACT – NO CHANGE IN EMV

Commercial					
	Estimated Market Value	**Tax Capacity**	Calculated Tax Rate	**Annual City Tax Liability**	**Annual Change**
2022	$ 363,500	6,520	70.911%	4,623.40	-
No Change in Levy	363,500	6,520	56.829%	3,705.25	(918.15)
3% Increase in Levy	363,500	6,520	58.536%	3,816.55	(806.85)
9.54% Increase in Levy	363,500	6,520	62.237%	4,057.85	(565.54)

Estimated Market Value: $363,500

First $150,000 is at 1.5%: $150,000 * 1.5% = $2,250
Over $150,000 is at 2.5%: $363,500-150,000 * 2% = $4,270
Tax Capacity of: $ 6,520 X 70.911% = $4,623.40

ESTIMATING CITY IMPACT – CHANGE IN EMV

Commercial

	Estimated Market Value	Tax Capacity	Calculated Tax Rate	Annual City Tax Liability	Annual Change
2022	$ 363,500	6,520	70.911%	4,623.40	-
No Change in EMV	363,500	6,520	**62.237%**	4,057.85	(565.54)
10% Increase in EMV	399,850	7,247	**62.237%**	4,510.32	(113.08)
18.96% Increase in EMV	432,420	7,898	**62.237%**	4,915.73	292.33
22% Increase in EMV	443,470	8,119	**62.237%**	5,053.27	429.87
25% Increase in EMV	454,375	8,338	**62.237%**	5,189.01	565.61
30% Increase in EMV	472,550	8,701	**62.237%**	5,415.24	791.84

****** 9.54% Increase in Levy**

Commercial

	Estimated Market Value	Tax Capacity	Calculated Tax Rate	Annual City Tax Liability	Annual Change
2022	$ 363,500	6,520	70.911%	4,623.40	-
No Change in EMV	363,500	6,520	**58.536%**	3,816.55	(806.85)
10% Increase in EMV	399,850	7,247	**58.536%**	4,242.10	(381.29)
18.96% Increase in EMV	432,420	7,898	**58.536%**	4,623.41	0.01
22% Increase in EMV	443,470	8,119	**58.536%**	4,752.77	129.37
25% Increase in EMV	454,375	8,338	**58.536%**	4,880.44	257.04
30% Increase in EMV	472,550	8,701	**58.536%**	5,093.22	469.82

****** 3% Increase in Levy**

To compute the updated City tax liability to be for pay year 2023, take the City Tax Liability from the proposed tax statement and subtract 5.95%:

$5,053.27 * 5.95% = $300.67;
$5,053.27 – 300.67 = $4,752.60

ESTIMATING TOTAL TAX IMPACT – CHANGE IN EMV

TOTAL TAX BILL - 3% INCREASE IN CITY LEVY - COMMERICIAL PROPERTY

				Estimated Effect of Change in Tax Rate					Estimated Effect of Change in EMV					
Taxes Payable	**Actual EMV**	**Actual Tax Liability**	**Actual Change Per Year**	**EMV Using 2022 As the Base Year**	**Calculated Tax Capacity**	**Total Tax Rate**	**Total Tax Liability**	**Change Per Year**	**Calculated Tax Capacity on Actual EMV**	**Difference in Tax Capacity Due to Change in EMV**	**Total Tax Rate**	**City Tax Liability for Year Based on Change in Value**	**Change Per Year**	**Total Calculated Change Per Year**
2022 (Base Year)	363,500.00	10,768.24		363,500	6,520.00	131.147%	10,768.24	-	6,520.00	-	131.147%	-	-	-
Proposed 2023	443,470.00	10,884.22	**115.98**	363,500	6,520.00	105.053%	8,595.48	**(2,172.76)**	8,119.40	1,599.40	105.053%	2,288.74	**2,288.74**	115.98
$ Increase	**79,970.00**		**115.98**					**(2,172.76)**					**2,288.74**	**115.98**
% Increase	**22.00%**		**1.08%**					**-20.18%**					**21.25%**	**1.08%**

Total Prel 2023 Tax Liability	11,184.72	**3.87%**
Prel 2023 City Tax Liability	5,053.27	
5.95%	(300.67)	
Update for 3% levy increase	10,884.05	

	County	City	School	Special	Total	State Gene	School - Voter Approve
2022	31.149%	70.911%	27.303%	1.784%	131.147%	36.28919%	0.108870%
2023	23.677%	58.536%	21.342%	1.498%	105.053%	34.00000%	0.080940%

	2,030.91	4,623.40	2,175.90	116.32	**8,946.53**	1,821.72		***10,768.24***	-
	1,922.43	4,752.77	2,091.79	121.63	**8,888.62**	1,995.60		***10,884.22***	-
Difference	(108.48)	129.37	(84.11)	5.31	**(57.91)**	173.88		***115.98***	

DIVIDING UP THE PROPOSED DOLLAR - COMMERCIAL

18¢ Crow Wing

19¢ State General

1¢ Other

43¢ City

19¢ School District

NEXT STEP

- The final budget and levy will be adopted at the **December 19, 2022** Council Meeting.
- The levy must be certified to the County Auditor by ***December 28, 2022***.

PUBLIC COMMENT