
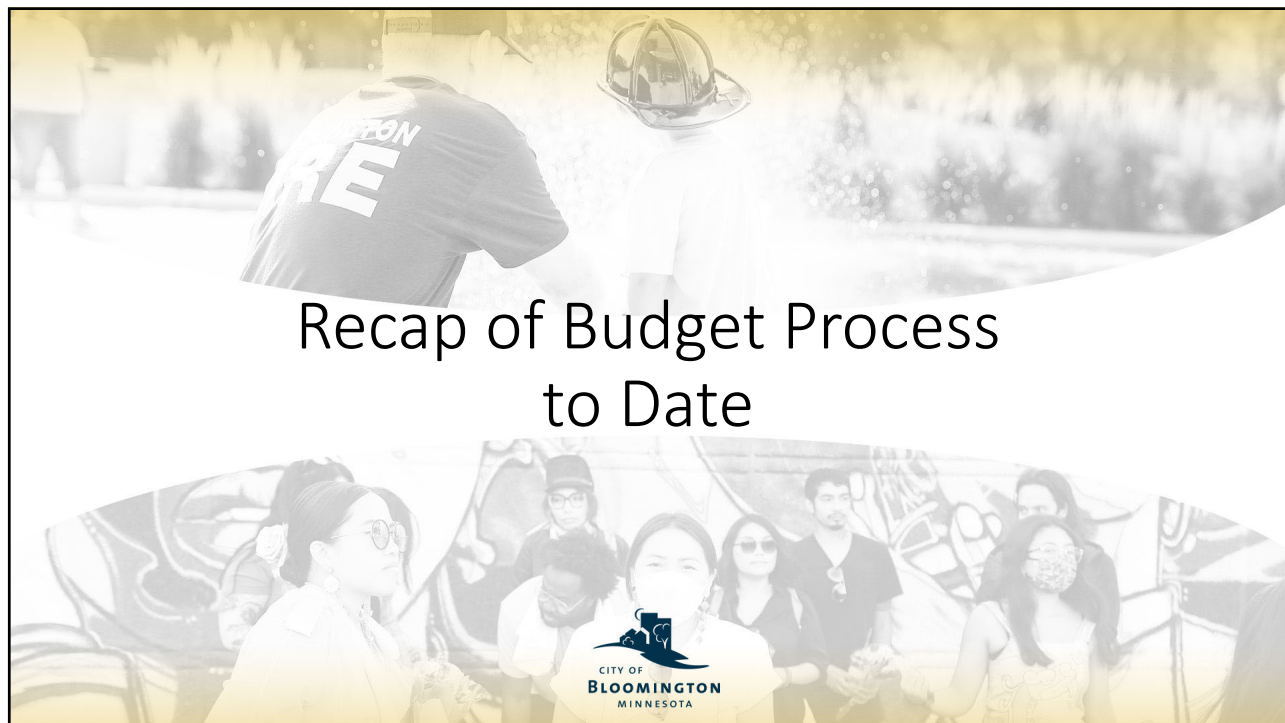



HOPE ON THE HORIZON

 City Council Special Budget Meeting
Monday, November 21, 2022
2023 Tax Levy and Budget Discussion



Recap of Budget Process to Date





Bloomington. Tomorrow. Together.

STRATEGIC PLAN

Our mission is to CULTIVATE an ENDURING and REMARKABLE community where people WANT TO BE.

Recap of 2023 budget process to date

May 2022 – Citywide Budget Kick-off

Focus on aligning budget with new Strategic plan

- A connected, welcoming community
- A healthy community (improved human, improved environmental, increased safety and security)
- A community with equitable economic growth

June 2022 – Departments entering budget requests in Munis

- Budget memos to explain and prioritize expenses, how they align with mission and strategic plan

July 2022 – Department budget meetings

- with City Manager, Assistant City Manager, CFO and Budget Manager



Recap of 2023 budget process to date

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May – October

- Monthly public engagement events

August 22, 2022

- Special City Council Budget Meeting

September 12, 2022

- City Council approved 2023 Preliminary tax levy

October – November

- In depth department budget presentations at Council meetings

Fire:

2023 Budget has significant investment in Police and Fire

Ideal number of firefighters 155. Currently only 97.

Preliminary budget added 6 new full-time fire fighters.

Police:

Police Department has 123 officers.

Preliminary budget included 2 new police officers and 1 new dispatch training coordinator.



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2023 BUDGET

\$11.49 is the proposed per month 2023 City tax increase for the median value home.

\$7.52 of this amount is an investment in police and fire.



Tax Levy Increase comparisons

Bloomington
History- Tax
Levy increases
since 2016

Year	Final %
2022	2.75%
2021	2.75%
2020	4.75%
2019	5.75%
2018	4.50%
2017	5.75%
2016	5.75%

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Comparison Cities – Preliminary 2023 Tax Levy Increases

City	Increase	City	Increase
Eden Prairie	4.19%	St Louis Park	7.90%
Maple Grove	4.91%	Edina	9.93%
Eagan	6.02%	Brooklyn Park	10.42%
Richfield	6.59%	Bloomington	10.50%
Minneapolis	6.66%	Golden Valley	11.31%
Plymouth	6.80%	Lakeville	12.40%
Woodbury	6.81%	Burnsville	12.92%
Minnetonka	6.85%	St Paul	15.34%

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Nov. 18, 2022 – MN Department of Revenue News Release



Cities - The 2023 preliminary property tax levies for cities will total approximately \$3.214 billion compared with a final levy of \$2.946 billion in 2022, a **9.1% increase**.

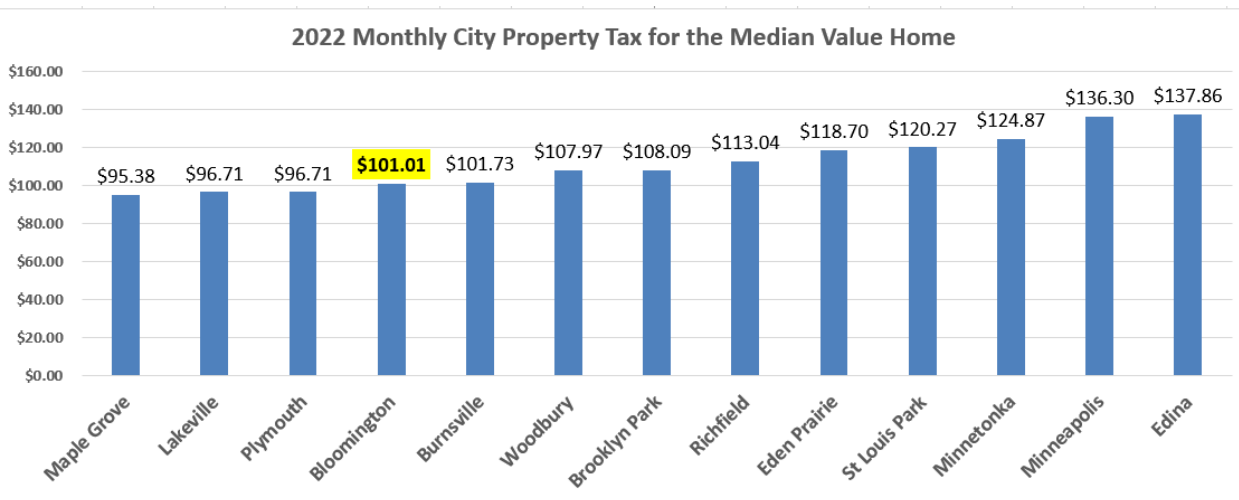
Counties - The 2023 preliminary property tax levies for counties will total approximately \$3.781 billion compared with a final levy of \$3.605 billion in 2022, a 4.9% increase.

Townships - The 2023 preliminary property tax levies for townships will total approximately \$296 million compared with a final levy of \$285 million in 2022, a 3.9% increase.

Schools - The 2023 preliminary property tax levies for schools will total approximately \$3.726 billion compared with a final levy of \$3.484 billion in 2022, a 6.9% increase.

Special Taxing Districts - The 2023 preliminary property tax levies for special taxing districts will total approximately \$461 million compared with a final levy of \$440 million in 2022, a 4.8% increase.

2022 Median Value Home Monthly Tax Comparison





Public Engagement Feedback from Community

Public Budget Engagement tables in the Community – interacted with 367 people

May 21, 2022: Police Department Open House (54 people)

June 21, 2022: Normandale Bandshell – Ballet (22 people)

July 14, 2022: Normandale Bandshell – Blockbuster (45 people)

August 2, 2022: National Night Out parties (30 people)

August 12, 2022: On the One Music Festival (21 people)


September 17, 2022: Farmer’s Market (55 people)

October 15, 2022: Fire Department Open House (140 people)

- Detailed feedback from these events and phone calls and emails to the Budget Manager included in this evening’s agenda packet materials



Budget Game Results

	Thursday, July 14, 2022: Normandale Bandshell – Blockbuster Concert	Friday, August 12, 2022: On the One Music Festival	Saturday, September 17, 2022: Farmer’s Market	Saturday, October 15, 2022: Fire Department Open House
Parks, Arts, Recreation, and Natural Resources	63	57	65	107
Facilities and Infrastructure	28	27	46	52
Economic Development, Redevelopment, and Housing that’s Affordable	36	63	39	59
Police Department	46	33	51	93
Fire Department	33	29	43	122
Community Belonging & Engagement	27	30	27	37



2023 Preliminary Budget and Tax Levy

Base Budget started at 7.76%

- The projected tax levy “Base Budget” started at a 7.76% increase from 2022.
- “Base Budget” definition:
 - New Positions added during 2022
 - 1 Equity & Inclusion Specialist
 - 1 Legal Compliance Manager
 - 1 Legal Compliance Paralegal
 - 4 Firefighter/Fire Inspectors
 - No additional staffing requests
 - No increases in discretionary spending
 - Debt Service increase
 - Base salary adjustments



Full-time positions added to General Fund Budget

- 6 additional Firefighters
- 2 (of the 6 requested) Police Officers
- 1 Dispatch Coordinator/Trainer
- 1 Human Resources Representative
- 1 Sustainability Specialist
- 1 Natural Resources Parkkeeper
- **12 new full-time positions in General Fund**



Proposed 2023 Preliminary Tax Levy – 10.5%

Median Value Home City Tax \$ Change		Median Value Home City Tax % Change							
\$11.49		11.38%							
				2022 Tax Levy	2023 Tax Levy	Tax Levy \$ Change	Tax Levy % Change	Median Value Home Monthly City Tax	
General Revenues:									
General Fund				\$58,228,169	\$64,913,385	\$6,685,216	9.79%	\$96.77	
Communications				\$295,000	\$400,000	\$105,000	0.15%	\$0.60	
Forestry / Diseased Trees (Solid Waste Fund)				\$185,000	\$185,000	\$0		\$0.28	
Fire Pension				\$1,050,000	\$1,000,000	(\$50,000)	-0.07%	\$1.49	
Aquatics				\$515,000	\$465,000	(\$50,000)	-0.07%	\$0.69	
Art Center				\$1,000,000	\$1,000,000	\$0		\$1.49	
Golf				\$161,343	\$161,343	\$0		\$0.24	
Ice Garden				\$80,000	\$125,000	\$45,000	0.07%	\$0.19	
Strategic Priorities				\$600,000	\$0	(\$600,000)	-0.88%	\$0.00	
Tax Abatement				\$300,000	\$300,000	\$0		\$0.45	
Total General Revenues				\$62,414,512	\$68,549,728	\$6,135,216	8.98%	\$102.19	
Debt Service				\$5,882,215	\$6,918,155	\$1,035,940	1.52%	\$10.31	
Total Tax Levy				\$68,296,727	\$75,467,883	\$7,171,156	10.50%	\$112.50	

10.5% Increase to the Tax Levy for the Median Value Home is

\$2.65
per week

\$11.49
per month

\$137.90
per year





Sample of 2023 Residential Property Tax Statement

Home Value - \$355,900 (Median Value Home)

City Property Tax	\$1,350.00 (<i>\$112.50/month</i>)
County Property Tax	\$1,220.58
School Property Tax	\$1,239.08
<u>Other Property Tax</u>	<u>\$ 325.06</u>
Total Property Tax	\$4,134.72



Options for final 2023 Budget and Tax Levy

Since the Preliminary 2023 Tax Levy was set...

We received the SAFER Grant (Staffing for Adequate Fire and Emergency Response) that pays for 18 full-time fire fighters for three years.

Lodging and Admission tax revenues have improved, and the 2023 forecast was increased by \$308K (still at 92% of 2019 revenues).

Permit revenue analysis has increased 2023 forecast by \$836K.

With new credit card policy, Building and Inspections was able to reduce expenses by \$75,000 that had been previously been budgeted to cover credit card processing fees.



Option #1 9.63% Increase

- Add an additional 2 Police Officers (so instead of adding 2 in 2023, add 4) (Add \$251K)
- Decrease the expenses in the budget for half of the 6 firefighters (Reduce \$356K). Instead of starting in January 2023, they would start in July 2023.
- Reduce the amount of revenue coming in from the Strategic Priorities Fund from \$1.8 million back down to \$1.1 million (Add \$729K)



Option #2 8.54% Increase

- Add an additional 2 Police Officers (so instead of adding 2 in 2023, add 4) *(same as Option #1)*
- Decrease the expenses in the budget for half of the 6 firefighters (Reduce \$356K). Instead of starting in January 2023, they would start in July 2023. *(same as Option #1)*
- Keep the amount coming in from Strategic Priorities Fund at \$1.8 million



Option #3 9.24%

- Decrease the expenses in the budget for half of the 6 firefighters (Reduce \$356K). Instead of starting in January 2023, they would start in July 2023.
- Reduce the amount coming from Strategic Priorities from \$1.8 million back down to \$1.1 million (Add \$729K)



Option #4 8.70%

- Take out the 6 additional firefighters from the budget. (i.e. Only add the 18 firefighters in 2023 that will be funded from the SAFER grant, not 24 firefighters)
- Reduce the amount coming from Strategic Priorities from \$1.8 million back down to \$1.1 million (Add \$729K)



Option #5 8.70%

- Don't make any changes to preliminary budget other than reduce levy increase down due to the increased lodging tax and permit revenue



Option #6 8.16%

- Decrease the expenses in the budget for half of the 6 firefighters (Reduce \$356K). Instead of starting in January 2023, they would start in July 2023.
- Keep the amount coming in from Strategic Priorities Fund at \$1.8 million



Option #7 7.62%

- Take out the 6 additional firefighters from the budget. (i.e. Only add the 18 firefighters in 2023 that will be funded from the SAFER grant, not 24 firefighters)
- Keep the amount coming in from Strategic Priorities Fund at \$1.8 million



Impact to Median Value Home (MVH) at different Options

Option	Reduce S.P. Transfer from \$1.8 to \$1.1	Change 6 new Fire Fighters to start in July	2 Additional Police Officers	No additional Fire Fighters (18 not 24)	Tax Levy Increase	Weekly Impact to MVH	Monthly Impact to MVH	Annually Impact to MVH
PRELIM					10.50%	\$2.65	\$11.49	\$137.90
1	X	X	X		9.63%	\$2.43	\$10.54	\$126.50
2		X	X		8.54%	\$2.16	\$9.35	\$112.23
3	X	X			9.24%	\$2.33	\$10.12	\$121.40
4	X			X	8.70%	\$2.20	\$9.53	\$114.32
5					8.70%	\$2.20	\$9.53	\$114.32
6		X			8.16%	\$2.06	\$8.94	\$107.27
7				X	7.62%	\$1.93	\$8.35	\$100.18

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What does Council want the final tax levy % to be?

What options do you want to use to get there?

Options 1, 2, 3, 4, 5,6,7 a combination, or something else?





Questions & Discussion

