

# 2023 CITY OF BLOOMINGTON BUDGET AND TAX LEVY PUBLIC HEARING

MONDAY, DECEMBER 5, 2022

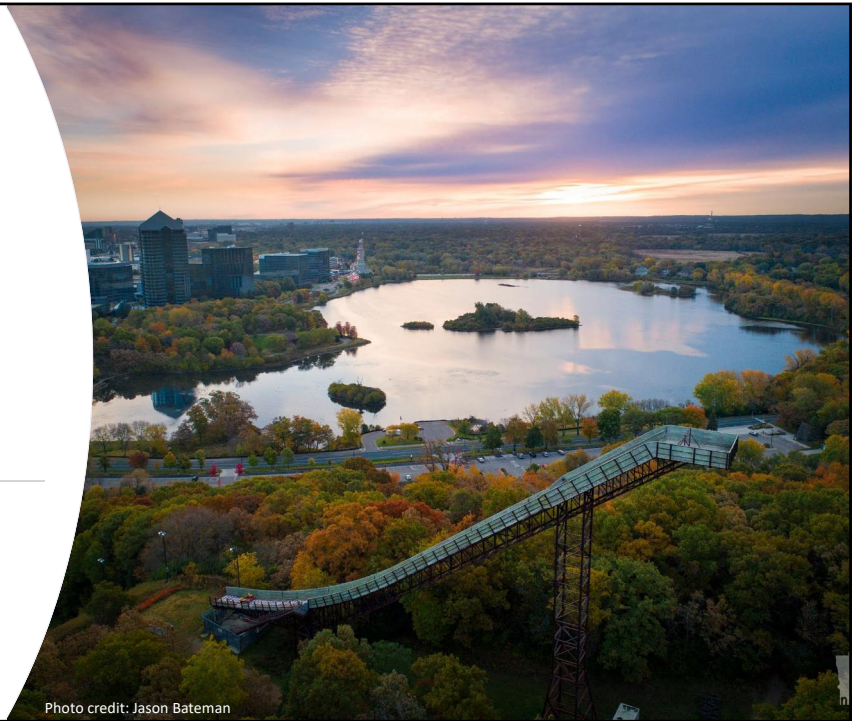


Photo credit: Jason Bateman



## OUTLINE

- Recap of Council and Public Involvement
- Alignment with Strategic Plan
- Decrease from Preliminary Levy
- 2023 General Fund Revenue Budget
- 2023 General Fund Expense Budget
- 2023 Proposed Tax Levy
- Impact to Median Value Home
- Comparison to other cities
- Property Tax Refund Program
- Public Hearing



## Seven Public Engagement Budget Events in the Community

- May 21, 2022: Police Department Open House
- June 21, 2022: Normandale Bandshell – Ballet
- July 14, 2022: Normandale Bandshell – Blockbuster
- August 2, 2022: National Night Out parties
- August 12, 2022: On the One Music Festival
- September 17, 2022: Farmer’s Market
- October 15, 2022: Fire Department Open House



## Five Town Hall Forums Hosted by City Council

This summer and fall, Bloomington City Councilmembers hosted town hall forums to connect with constituents

- August 17 Town Hall Forum with Mayor Busse
- September 26 Town Hall Forum with Councilmember Martin
- October 6 Town Hall Forum with Councilmember Lowman
- October 20 Town Hall Forum with Councilmember Dallessandro
- December 1 Town Hall Forum with Councilmember Nelson



●●●● 11<sup>th</sup> time conducting National Community Survey  
(May 20 – July 8) – Results were shared with Council at October 7 meeting

Results statistically weighted to reflect Bloomington overall



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*Bloomington. Tomorrow. Together.*

**STRATEGIC PLAN**

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

**Fire:**

2023 Budget has significant investment in Police and Fire

Adding 3 new full-time firefighters half-way through 2023 along with the 18 that will be added with the SAFER Grant in early 2023.

**Police:**

Adding 2 new police officers in January 2023 and 2 in June 2023 along with a new dispatch training coordinator.



**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.

## Change from Preliminary 2023 Budget and Levy

Change from Preliminary 2023 Budget	\$ change to Levy
Increase in Lodging and Admission tax Revenue	-\$308K
Increase in Permit Revenue	-836K
Increase in Other Revenue	-33K
Reduction in Fire expenses <i>Hire only 3 Firefighters in July 2023</i>	-527K
Reduction in Community Dev. Expenses <i>Credit card fee reduction</i>	-75K
Reduction of contingency	-12K
Reduction of delinquent taxes	-12K
Increase in Police expenses <i>Hire additional 2 officers in June 2023</i>	+142K
Increase in Parks & Rec Arts in the Parks expenses	+10K
Reduction in Strategic Priority transfer revenue	+729K
<b>Total reduction from preliminary levy</b>	<b>\$922K</b>

Preliminary Tax Levy:  
Increase of 10.5%

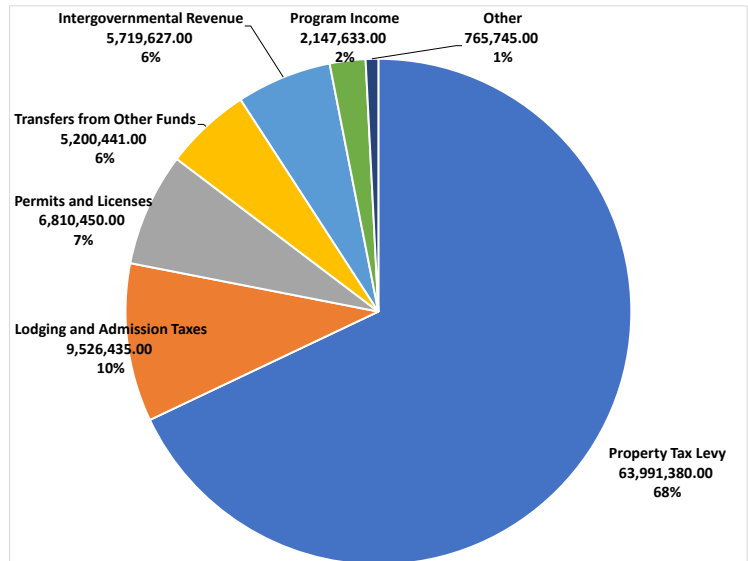
Proposed Final Tax Levy:  
Increase of 9.15%

Reduction of \$922K

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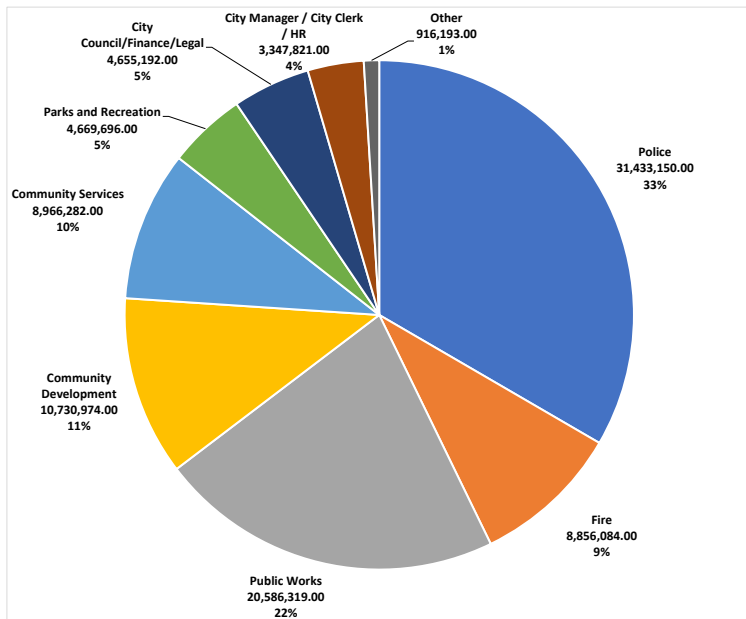
## 2023 General Fund Revenues

	Recommended Final 2023 Tax Levy
Property Tax Levy	\$63,991,380
Lodging and Admission Taxes	9,526,435
Permits and Licenses	6,810,450
Transfers from Other Funds	5,200,441
Intergovernmental Revenue	5,719,627
Program Income	2,147,633
Other	765,745
<b>Total</b>	<b>\$94,161,711</b>



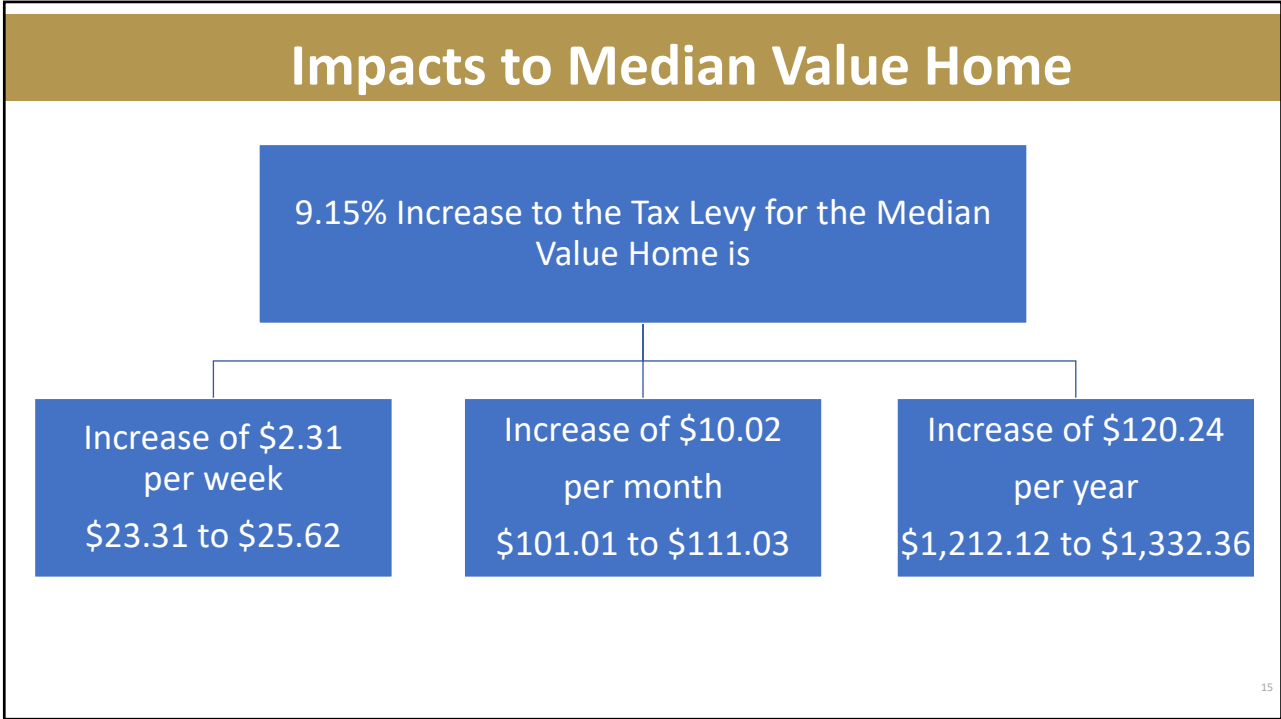
●●● Proposed 2023 General Fund Expenses

	Recommended Final 2023 Tax Levy
City Council	\$ 559,493
Administration	3,347,821
Legal	2,448,029
Finance	1,647,670
Police	31,433,150
Fire	8,856,084
Community Development	10,730,974
Community Services	8,966,282
Parks and Recreation	4,669,696
Public Works	20,586,319
Estimated Unexpended/Contingency	916,193
<b>Total</b>	<b>\$94,161,711</b>



	2022 Tax Levy	2023 Tax Levy	Tax Levy \$ Change	Tax Levy % Change
<b>General Revenues:</b>				
General Fund	\$58,228,169	\$63,991,380	\$5,763,211	8.44%
Communications	\$295,000	\$400,000	\$105,000	0.15%
Forestry / Diseased Trees (Solid Waste Fund)	\$185,000	\$185,000	\$0	
Fire Pension	\$1,050,000	\$1,000,000	(\$50,000)	-0.07%
Aquatics	\$515,000	\$465,000	(\$50,000)	-0.07%
Art Center	\$1,000,000	\$1,000,000	\$0	
Golf	\$161,343	\$161,343	\$0	
Ice Garden	\$80,000	\$125,000	\$45,000	0.07%
Strategic Priorities	\$600,000	\$0	(\$600,000)	-0.88%
Tax Abatement	\$300,000	\$300,000	\$0	
<b>Total General Revenues</b>	<b>\$62,414,512</b>	<b>\$67,627,723</b>	<b>\$5,213,211</b>	<b>7.63%</b>
<b>Debt Service</b>	<b>\$5,882,215</b>	<b>\$6,918,155</b>	<b>\$1,035,940</b>	<b>1.52%</b>
<b>Total Tax Levy</b>	<b>\$68,296,727</b>	<b>\$74,545,878</b>	<b>\$6,249,151</b>	<b>9.15%</b>



Proposed 2023 Tax Levy



### 2023 budget

**\$10.02**  
proposed per month 2023 City tax increase for the median value home.

**\$8.60 (85%)** of this increase is an investment in police and fire.







**FIRE STATION #4**

## 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.

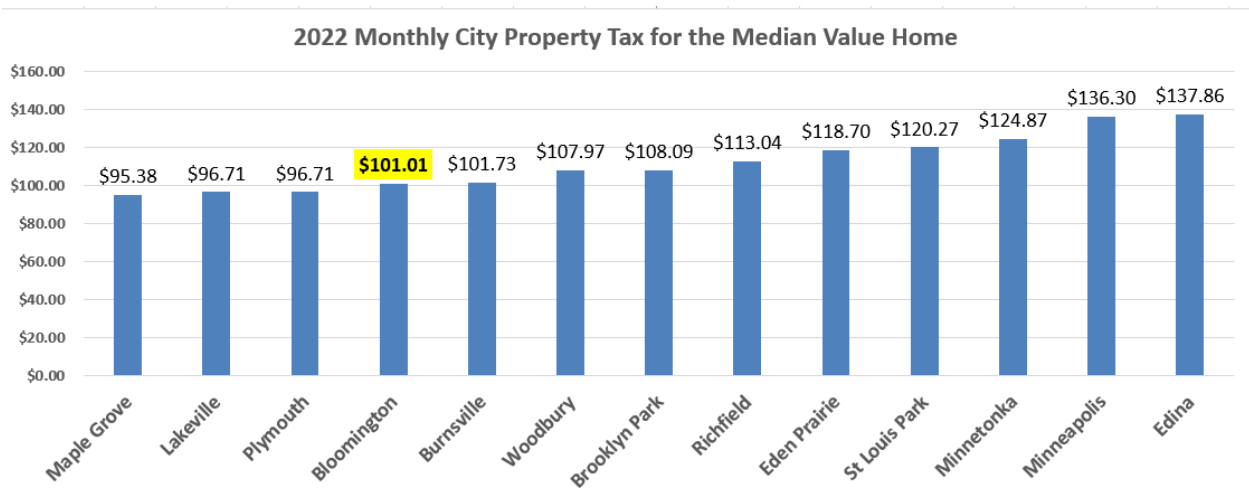
**Special Taxing Districts** - The 2023 preliminary property tax levies for special taxing districts will total approximately \$461 million compared with a final levy of \$440 million in 2022, a 4.8% increase.

## Comparison Cities – Preliminary 2023 Tax Levy Increases

City	Increase	City	Increase
Eden Prairie	4.19%	St Louis Park	7.90%
Maple Grove	4.91%	Bloomington	<del>10.50%</del> 9.15%
Eagan	6.02%	Edina	9.93%
Richfield	6.59%	Brooklyn Park	10.42%
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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## 2022 Median Value Home Monthly Tax Comparison



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## Sample of 2023 Residential Property Tax Statement

Median Value Home - \$355,900



- City Property Tax \$1,332.36
- County Property Tax \$1,220.58
- School Property Tax \$1,239.08
- Other Property Tax \$ 325.06
- **Total Property Tax \$4,117.08**



## State of Minnesota - Property Tax Refund (Form M1PR)

Minnesota homeowners and renters may qualify for a Property Tax Refund. The Refund provides property tax relief depending on your income and property taxes.

**For more information-**

Minnesota Department of Revenue:

<https://www.revenue.state.mn.us/property-tax-refund>

651-296-3781 or 1-800-652-9094

**mn DEPARTMENT OF REVENUE**

**2020 Form M1PR, Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund**

Your First Name and Initial: \_\_\_\_\_ Last Name: \_\_\_\_\_ Your Social Security Number: \_\_\_\_\_ Your State of Birth (MM/YY/YY): \_\_\_\_\_

IT'S YOUR HOUSE, SIGNIFY YOUR NAME AND INITIAL: \_\_\_\_\_ SIGNIFY YOUR NAME: \_\_\_\_\_ SIGNIFY YOUR SOCIAL SECURITY NUMBER: \_\_\_\_\_ SIGNIFY YOUR STATE OF BIRTH: \_\_\_\_\_

Current Home Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_ Check if Address is:  New  Foreign

Check all that apply:  Renter  Homeowner  Having more than one Adult Care Residence  Mobile Home Owner

State Election Campaign Fund: To print 10 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. The fund will increase your tax and reduce your refund.

Your Code: \_\_\_\_\_ Sponsor's Code: \_\_\_\_\_

1 Federal adjusted gross income (from Line 1 of Form 1041, see instructions if you filed Form 1041) ..... 1

2 Nonrefundable Social Security and/or National Retirement Investment Board benefits received and not included in line 1 above (determine from instructions) ..... 2

3 Deduction for contributions to a qualified retirement plan (add lines 23 and 24 of federal Schedule 2, see instructions) Also see line 9 of this Form M1PR. .... 3

4 Total payments from programs including the Adult Family Investment Program, Minnesota Supplemental Aid-50 (Supplemental Security Income), EA (General Assistance), and Minnesota Housing Support (formerly GMR) ..... 4

5 Additional nontaxable income from line 20 of Schedule M1PR-R, Additive to income ..... 5

6 Add lines 1 through 5 (if you are a renter and this line is less than the rent you paid, enclose an explanation) ..... 6

7 Subtraction for 65 or older (see federal January 1, 2020) or disabled. If you (or your spouse if filing a joint return) are age 65 or older or are disabled, enter \$4,300. Check the box for your spouse age:  65 or older  Disabled ..... 7

8 Dependent Subtraction. Enter your subtraction for dependents (see instructions for instructions) Number of dependents: \_\_\_\_\_ Name and Social Security number: \_\_\_\_\_ ..... 8

9 Retirement Account Subtraction. If you (or your spouse) contributed to a 401(k), IRA, 403(b), or other retirement plan, or had an amount on line 8, see instructions ..... 9

10 Amounts you paid for attorney not deducted on line 18 of federal Schedule 1 (see instructions) ..... 10

11 Subtraction from line 12 of Schedule M1PR, Federal Adjustments (see instructions for Schedule M1PR) ..... 11

12 Add lines 7 through 11 ..... 12

13 Subtract line 12 from line 6 ..... 13

14 Co-occupant income (from line 13 of Worksheet 1 - Co-occupant income, if negative, enter as a negative) ..... 14

15 Add line 14 to line 13 ..... 15

16 Renter's Refund - Complete lines 16-18, Homeowners - Continue to next section. Enter refund from (2020) tax year and exclude your (2020) ..... 16

17 Multiply line 16 by 2% (1/50) ..... 17

18 Renter's Refund. Using the amount from line 13 and line 17, find the amount to enter here from the refund relief table in the instructions. Continue with lines 19-23 ..... 18

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## State of Minnesota - Property Tax Refund (Form M1PR)

- Available for both Homeowners and Renters
- Due date is August 15.
- You may file up to one year after the due date.
- Two types available:
  - Regular Property Tax Refund
    - Compares property taxes versus your total household income
    - Renter income less than \$64,920; Homeowner less than \$119,790
  - Special Property Tax Refund
    - Increase in taxes beyond State set level
    - For 2021 to 2022: increase of 12% and at least \$100 increase.

## State of Minnesota - Property Tax Refund (Form M1PR)

Additional subtractions can help to qualify or increase refund amounts

- Dependents
- 65 or older
- Contributions to a retirement account
- Permanent or total disability

# Public Hearing 2023 Tax Levy



## Motions

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt  
Resolution No. 2022-\_\_\_\_\_, Adopting the Final 2023 General  
Fund Budget .

AND

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt  
Resolution No. 2022-\_\_\_\_\_, Establishing Final Tax Levies for  
the City of Bloomington for the Year 2023.