

# Truth-in-Taxation Presentation

## 2022 Proposed Budget and Preliminary Tax Levy

City of Arden Hills

Public Hearing

December 13, 2021, 7:00 PM

# Agenda

- Why Tax Bills Change
- Property Tax in Minnesota
- General Fund Budget Summary
- Proposed 2022 Tax Levy
- City Wide Budget
- Capital Improvement Plan
- Resources for Property Tax Relief
- Public Comment

# Why Tax Bills Change

- Market value changes
- Budgets and levies of various jurisdictions
- Special Assessments
- Voter approved referendums
- Changes in Federal and State mandates
- Changes in aid and revenue from State and Federal governments
- State Legislative changes

# Property Tax in Minnesota

- County assessor determines property values in the year prior to the taxes being paid
- City sets preliminary levy by September (other taxing districts, county and school districts, also set their own levies)
- Proposed property tax notices are mailed by County
- City holds Truth-in-Taxation Public Hearing by December
- Property taxes are finalized for following year

# Property Tax in Minnesota cont.

- Projected changes in 2022:
  - Median Value home decreasing to \$384,600 from \$387,500 (0.75% decrease)
  - County wide increase of 3.8%
  - Industrial are seeing the largest gains
- How property taxes are calculated:

|                                      |                   |
|--------------------------------------|-------------------|
| *Estimated Market Value              | \$384,600         |
| Less homestead exclusion             | (\$2,600)         |
| Taxable Market Value                 | \$382,000         |
| Property's Class Rate                | X 1%              |
| Tax Capacity                         | \$3,820           |
| **Estimated City Tax Rate            | 26.5508%          |
| <b>Estimated Pay 2022 City Taxes</b> | <b>\$1,014.24</b> |

\*Estimated Market Value is for a Median Valued Home in Arden Hills

\*\*Estimated City Tax Rate is based on the 4.50% Increase in Levy

# Property Tax in Minnesota cont.



90 Plato Blvd. West • Saint Paul, MN  
651-266-2000 • AskPropertyTaxandRecords@ramseycounty.us  
ramseycounty.us/Property



PIN/Property Address/Abbreviated Tax Description

CURRENT STEP →

## 2022 *Proposed* Property Tax

This is **NOT** a bill. **DO NOT PAY!**

| Step 1 | Valuation and classification |           |           |
|--------|------------------------------|-----------|-----------|
|        | Tax Payable Year             | 2021      | 2022      |
|        | Estimated Market Value       | \$388,500 | \$385,000 |
|        | Green Acres Value            | 0         | 0         |
|        | Plat Defement                | 0         | 0         |
|        | This Old House Exclusion     | 0         | 0         |
|        | Disabled Vets Value          | 0         | 0         |
|        | Exclusion                    | 0         | 0         |
|        | Homestead Market Value       | 0         | 0         |
|        | Exclusion                    | 2,300     | 2,600     |
|        | Taxable Market Value         | \$386,200 | \$382,400 |
|        | Property Classification      | Res Hstd  | Res Hstd  |

| Step 2 | Proposed Tax Notice         |            |
|--------|-----------------------------|------------|
|        | Property Taxes after credit | \$5,114.00 |

**!** The time to provide feedback on proposed levies is now. The only way to appeal your value at this time is by going to tax court. Please see insert for more information.

| Step 3 | Property Tax Statement |
|--------|------------------------|
|        | Coming March 2022      |

### PROPOSED PROPERTY TAXES AND MEETINGS BY JURISDICTION FOR YOUR PROPERTY

| Contact Information   | Column 1<br>2021 Tax – Actual | Column 2<br>2022 Tax – Proposed | Tax and Budget<br>Meetings and Locations   |
|---|-------------------------------|---------------------------------|--|
| <b>Ramsey County</b>  | 1,694.72                      | 1,681.09                        | <b>Nov. 29, 2021 at 6:30 p.m.</b>  |
| <b>Regional Railroad Authority</b>  | 147.74                        | 154.93                          | Virtual and in-person options are available. Visit <a href="http://ramseycounty.us/PublicHearings">ramseycounty.us/PublicHearings</a> for details. |
| County Library<br>Ramsey County<br>15 W. Kellogg Blvd., Suite 250<br>Saint Paul, MN 55102<br>651-266-2222 | 150.66                        | 155.59                          | In-person location:<br>Union Depot - Red Cap Room<br>214 4th St. E.<br>Saint Paul, MN 55101  |
| <b>Arden Hills</b>  | 968.95                        | 1,015.30                        | <b>December 13, 2021 at 7:00 PM</b>  |
| City of Arden Hills<br>1245 Highway 96 W<br>Arden Hills, MN 55112<br>(651) 792-7800                       |                               |                                 | Council Chambers<br>1245 Highway 96 W<br>Arden Hills, MN 55112   |
| <b>State General Tax</b>  | 0.00                          | 0.00                            | No Meeting Required  |
| <b>ISD #621</b>   |                               |                                 | <b>December 7, 2021 at 6:00 PM</b>   |
| ISD 621<br>4570 Victoria Street N<br>Shoreview, MN 55126<br>(651) 621-6017                                |                               |                                 | Mounds View District Office<br>4570 Victoria Street N<br>Shoreview, MN 55126   |
| a. Voter approved levies  | 1,094.13                      | 986.06                          |  |
| b. Other local levies   | 809.94                        | 895.04                          |  |
| <b>Metropolitan Special Taxing Districts</b>  | 83.98                         | 86.53                           | <b>Dec. 8, 2021 at 6 p.m.</b>  |
| Metropolitan Council<br>390 Robert St. N.<br>Saint Paul, MN 55101<br>651-602-1738                         |                               |                                 | Council Chambers<br>390 Robert St. N.<br>Saint Paul, MN 55101  |
| Other special taxing districts  | 70.38                         | 139.46                          | No Meeting Required  |
| Tax increment   | 0.00                          | 0.00                            | No Meeting Required  |
| Fiscal disparity  | 0.00                          | 0.00                            | No Meeting Required  |
| <b>Total Tax <i>excluding special assessments</i></b>   | <b>\$5,020.50</b>             | <b>\$5,114.00</b>               |  |
| <b>Percent of Tax Change</b>  |                               | <b>1.9%</b>                     |  |



# General Fund Budget Summary

- City Council set a preliminary levy increase of 4.50% or \$192,600 (\$142,600 of this is for the General Fund)
- Total General Fund revenues are expected to decrease by 0.4% or \$22,750
- Total General Fund expenditures are expected to increase by 0.5% or \$26,530
- General Fund reserves show a budgeted decrease of \$140,000

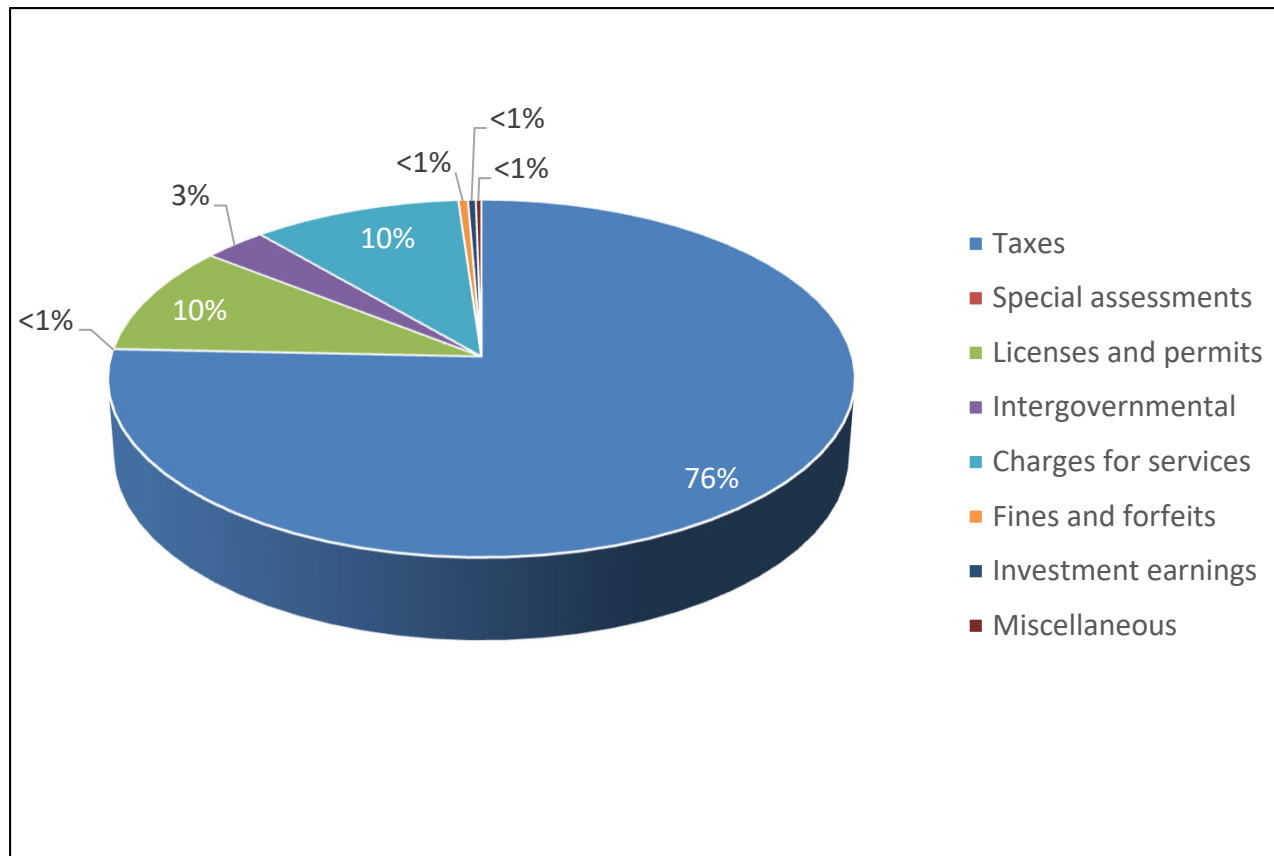
# General Fund Budget Summary cont.

| <b>GENERAL FUND</b>               | 2019<br>Actual      | 2020<br>Actual      | 10/31/2021<br>YTD     | 2021<br>Budget      | 2022<br>Budget      | \$ Increase<br>(Decrease) | % Increase<br>(Decrease) |
|-----------------------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------------|--------------------------|
| <b>REVENUES</b>                   |                     |                     |                       |                     |                     |                           |                          |
| Taxes                             | \$ 3,375,624        | \$ 3,629,818        | \$ 2,047,578          | \$ 3,715,930        | \$ 3,858,370        | \$ 142,440                | 3.8%                     |
| Special assessments               | 772                 | 4,759               | 2,257                 | 1,060               | 1,510               | 450                       | 42.5%                    |
| Licenses and permits              | 714,530             | 431,628             | 658,033               | 594,510             | 504,800             | (89,710)                  | -15.1%                   |
| Intergovernmental                 | 162,041             | 629,432             | 96,895                | 147,730             | 158,250             | 10,520                    | 7.1%                     |
| Charges for services              | 575,119             | 356,626             | 511,214               | 599,650             | 519,510             | (80,140)                  | -13.4%                   |
| Fines & forfeits                  | 34,512              | 13,581              | 11,012                | 27,650              | 23,750              | (3,900)                   | -14.1%                   |
| Investment earnings               | 119,231             | 101,743             | (21,320)              | 18,600              | 19,500              | 900                       | 4.8%                     |
| Miscellaneous                     | 23,073              | 61,955              | 2,383                 | 17,130              | 13,820              | (3,310)                   | -19.3%                   |
| <b>TOTAL REVENUES</b>             | <b>\$ 5,004,904</b> | <b>\$ 5,229,541</b> | <b>\$ 3,308,052</b>   | <b>\$ 5,122,260</b> | <b>\$ 5,099,510</b> | <b>\$ (22,750)</b>        | <b>-0.4%</b>             |
| <b>EXPENDITURES</b>               |                     |                     |                       |                     |                     |                           |                          |
| Mayor & council                   | \$ 66,988           | \$ 65,219           | \$ 59,671             | \$ 73,960           | \$ 55,070           | \$ (18,890)               | -25.5%                   |
| Administration                    | 318,670             | 314,912             | 283,486               | 371,920             | 401,070             | 29,150                    | 7.8%                     |
| Elections                         | 23,777              | 25,443              | 24,344                | 31,850              | 32,350              | 500                       | 1.6%                     |
| Finance                           | 155,637             | 144,397             | 164,400               | 185,900             | 184,220             | (1,680)                   | -0.9%                    |
| TCAAP                             | 96,152              | 42,707              | 21,957                | 85,130              | 87,260              | 2,130                     | 2.5%                     |
| Planning & Zoning                 | 200,771             | 154,972             | 173,377               | 230,130             | 242,010             | 11,880                    | 5.2%                     |
| Government Buildings              | 196,279             | 179,674             | 154,625               | 197,030             | 203,840             | 6,810                     | 3.5%                     |
| Police                            | 1,356,029           | 1,427,395           | 1,157,163             | 1,390,240           | 1,396,130           | 5,890                     | 0.4%                     |
| Dispatch                          | 51,369              | 45,578              | 40,712                | 55,800              | 61,810              | 6,010                     | 10.8%                    |
| Fire                              | 573,680             | 620,986             | 656,401               | 656,400             | 696,670             | 40,270                    | 6.1%                     |
| Emergency Management              | 5,659               | 6,308               | 4,770                 | 5,790               | 6,200               | 410                       | 7.1%                     |
| Protective Inspections            | 412,558             | 335,502             | 350,084               | 347,980             | 349,860             | 1,880                     | 0.5%                     |
| Street Maintenance                | 632,530             | 675,740             | 484,481               | 755,540             | 759,040             | 3,500                     | 0.5%                     |
| Recreation                        | 284,893             | 168,895             | 118,738               | 262,730             | 234,740             | (27,990)                  | -10.7%                   |
| Park Maintenance                  | 394,694             | 378,893             | 374,790               | 562,580             | 529,240             | (33,340)                  | -5.9%                    |
| Transfers out                     | 360,000             | 478,000             | 548,000               | -                   | -                   | -                         | N/A                      |
| <b>TOTAL EXPENDITURES</b>         | <b>\$ 5,129,687</b> | <b>\$ 5,064,623</b> | <b>\$ 4,616,999</b>   | <b>\$ 5,212,980</b> | <b>\$ 5,239,510</b> | <b>\$ 26,530</b>          | <b>0.5%</b>              |
| <b>NET CHANGE IN FUND BALANCE</b> | <b>\$ (124,783)</b> | <b>\$ 164,918</b>   | <b>\$ (1,308,946)</b> | <b>\$ (90,720)</b>  | <b>\$ (140,000)</b> | <b>\$ (49,280)</b>        | <b>54.3%</b>             |



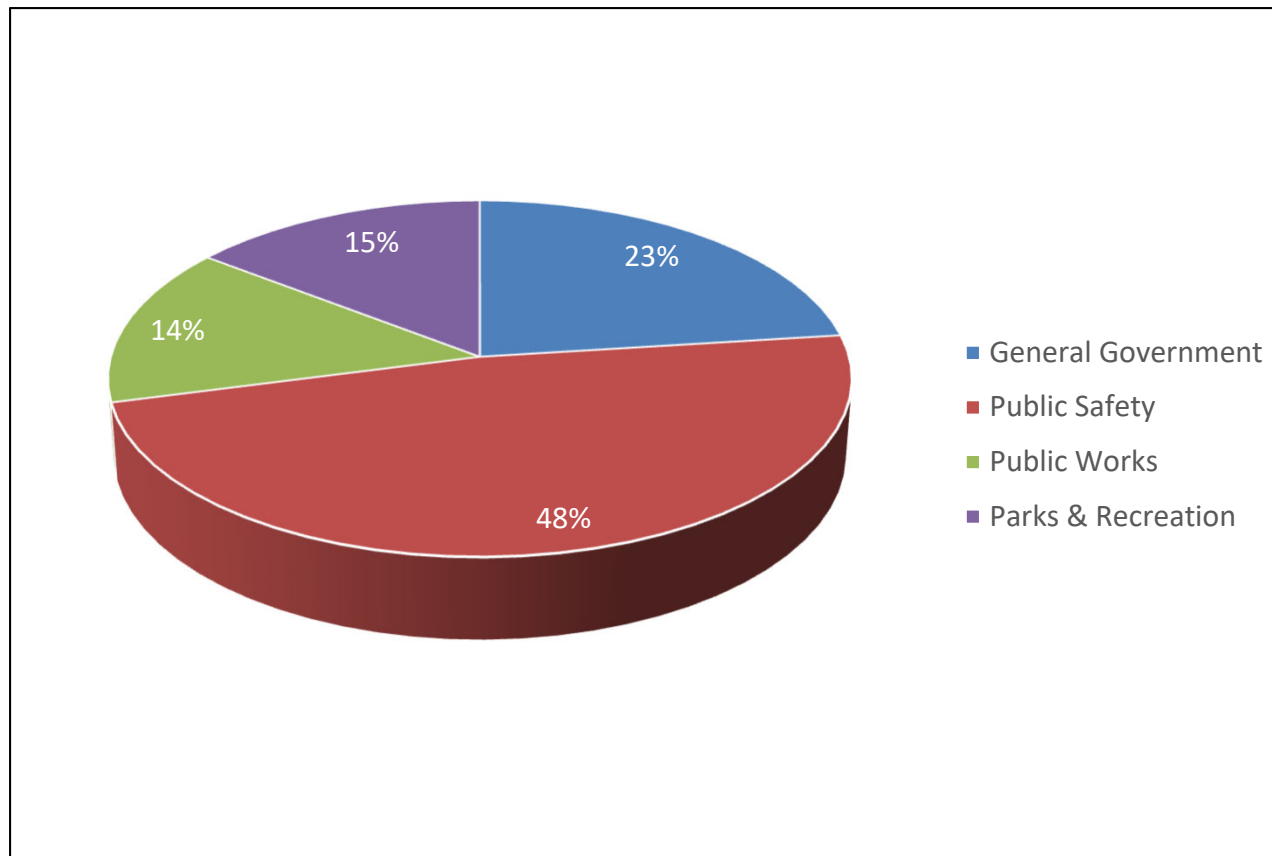
# General Fund Budget Summary cont.

General Fund Revenues  
Estimated 2022 Total: \$5,099,510



# General Fund Budget Summary cont.

General Fund Expenditures  
Estimated 2022 Total: \$5,239,510



# Proposed 2022 Tax Levy

## City of Arden Hills Past Levies and Tax Rates

| <b>Year</b> | <b>Tax Levy</b> | <b>% Change</b> | <b>Tax Rate</b> | <b>% Change</b> |
|-------------|-----------------|-----------------|-----------------|-----------------|
| 2012        | 3,096,994       | 1.8%            | 25.54%          | 5.6%            |
| 2013        | 3,191,230       | 3.0%            | 27.93%          | 9.3%            |
| 2014        | 3,257,456       | 2.1%            | 27.95%          | 0.1%            |
| 2015        | 3,359,775       | 3.1%            | 27.29%          | -2.3%           |
| 2016        | 3,478,775       | 3.5%            | 26.54%          | -2.8%           |
| 2017        | 3,641,290       | 4.7%            | 27.21%          | 2.5%            |
| 2018        | 3,786,942       | 4.0%            | 25.53%          | -6.2%           |
| 2019        | 3,938,420       | 4.0%            | 25.56%          | 0.1%            |
| 2020        | 4,135,340       | 5.0%            | 25.41%          | -0.6%           |
| 2021        | 4,280,080       | 3.5%            | 25.09%          | -1.3%           |

## City of Arden Hills 2022 Proposed Levy

| <b>Year</b> | <b>Tax Levy</b> | <b>% Change</b> | <b>Tax Rate</b> | <b>% Change</b> |
|-------------|-----------------|-----------------|-----------------|-----------------|
| 2022        | 4,472,680       | 4.50%           | 26.5508%        | 5.8%            |

# Proposed 2022 Tax Levy

City of Arden Hills Surrounding Levy Increases and City Tax Rates

| City               | Prelim Levy Increase | City Tax Rate |
|--------------------|----------------------|---------------|
| St. Anthony        | -1.50%               | 64.73%        |
| St. Paul           | 6.90%                | 48.50%        |
| Spring Lake Park   | 7.60%                | 47.89%        |
| North St. Paul     | 15.10%               | 43.95%        |
| Maplewood          | 5.00%                | 43.64%        |
| Gem Lake           | 13.60%               | 41.62%        |
| Falcon Heights     | 4.90%                | 38.78%        |
| Roseville          | 4.80%                | 37.99%        |
| New Brighton       | 8.20%                | 37.21%        |
| Mounds View        | 5.30%                | 35.46%        |
| Shoreview          | 4.50%                | 32.99%        |
| Lauderdale         | 5.60%                | 29.57%        |
| Town of White Bear | 23.50%               | 29.33%        |
| Arden Hills        | 4.50%                | 26.55%        |
| Vadnais Heights    | 13.10%               | 26.12%        |
| Little Canada      | 5.00%                | 25.56%        |
| White Bear Lake    | 9.60%                | 22.25%        |
| North Oaks         | 3.90%                | 12.20%        |

# Proposed 2022 Tax Levy

## Estimated Cost of City Services for 2022

| <b>Cost of City Services</b><br><b>Pay 2022 Property Tax Support</b><br><b>for \$384,600 Homestead</b>   |                    |                        |                       |                     |
|--|--------------------|------------------------|-----------------------|---------------------|
| <b>City Service Category</b>   | <b>Actual</b>      | <b>Percent of Levy</b> | <b>Amount of Levy</b> | <b>Monthly Cost</b> |
| <b>General Government</b><br>Mayor/Council, Administration,<br>Communications, Elections,<br>Auditor, Assessor, Legal,<br>Planning             | <b>\$1,205,820</b> | <b>20.8%</b>           | <b>\$211</b>          | <b>\$17.54</b>      |
| <b>Public Safety</b><br>Building Inspection/Code<br>Enforcement, Court,<br>Police Contract, Fire, Ambulance,<br>Human Services, Animal Control | <b>\$2,510,670</b> | <b>43.2%</b>           | <b>\$438</b>          | <b>\$36.53</b>      |
| <b>Public Works</b><br>Engineering, Streets, Street<br>Lighting, City Buildings  | <b>\$759,040</b>   | <b>13.1%</b>           | <b>\$133</b>          | <b>\$11.04</b>      |
| <b>Parks</b>   | <b>\$529,240</b>   | <b>9.1%</b>            | <b>\$92</b>           | <b>\$7.70</b>       |
| <b>Recreation</b>  | <b>\$234,740</b>   | <b>4.0%</b>            | <b>\$41</b>           | <b>\$3.42</b>       |
| <b>EDA</b>   | <b>\$100,000</b>   | <b>1.7%</b>            | <b>\$17</b>           | <b>\$1.45</b>       |
| <b>Capital</b>   | <b>\$470,000</b>   | <b>8.1%</b>            | <b>\$82</b>           | <b>\$6.84</b>       |
| <b>Totals</b>  | <b>\$5,809,510</b> | <b>100.0%</b>          | <b>\$1,014</b>        | <b>\$85</b>         |

# Proposed 2022 Tax Levy

Tax Dollar Divided by Taxing Authority



City Tax Portion

- City - 25 cents per tax dollar
- County - 44 cents per tax dollar
- Schools - 22 cents per tax dollar
- Misc - 9 cents per tax dollar

## Check Register

| Description of Transaction  | Balance |
|-----------------------------|---------|
| <i>Public Safety</i>        | \$36.53 |
| <i>General Government</i>   | \$17.54 |
| <i>Parks and Recreation</i> | \$11.11 |
| <i>Public Works</i>         | \$11.04 |
| <i>Capital</i>              | \$ 6.84 |
| <i>EDA</i>                  | \$ 1.46 |

For a Median Valued Home, \$85 a month in property taxes buys police and fire services, street maintenance, park and recreation amenities, code enforcement, and a variety of other City services.

# Residential property % change in Total Tax (not just City)

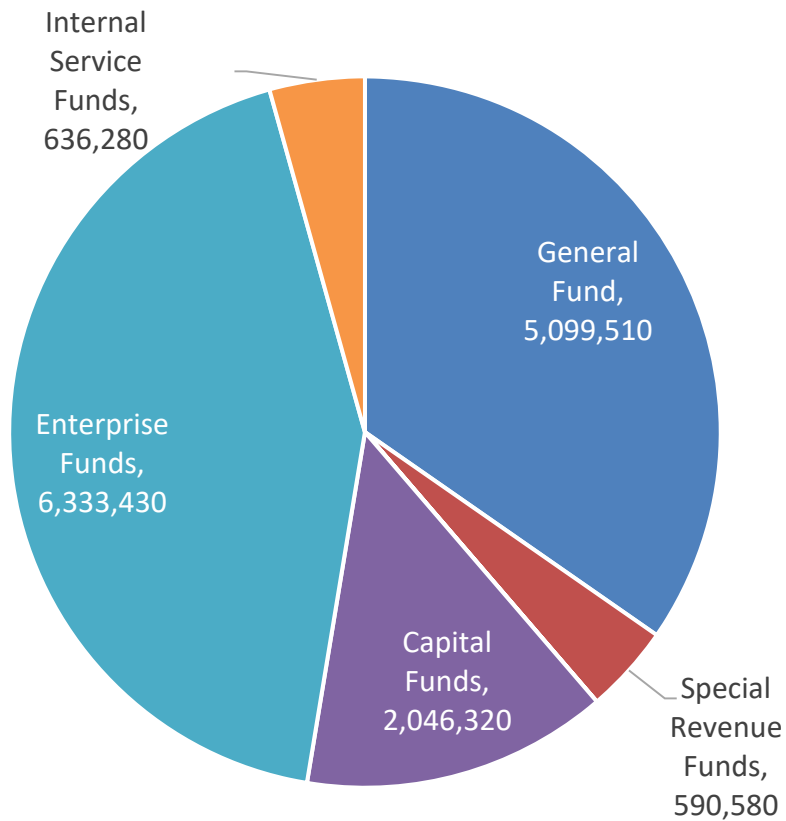
This is based on a 4.50% City levy increase.

|        | TOTAL     |     |
|--------|-----------|-----|
|        | # parcels |     |
| <=0    | 793       | 30% |
| 0-10%  | 1,605     | 61% |
| 10-20% | 195       | 7%  |
| 20-30% | 24        | <1% |
| >30%   | 22        | <1% |
|        | 2,639     |     |

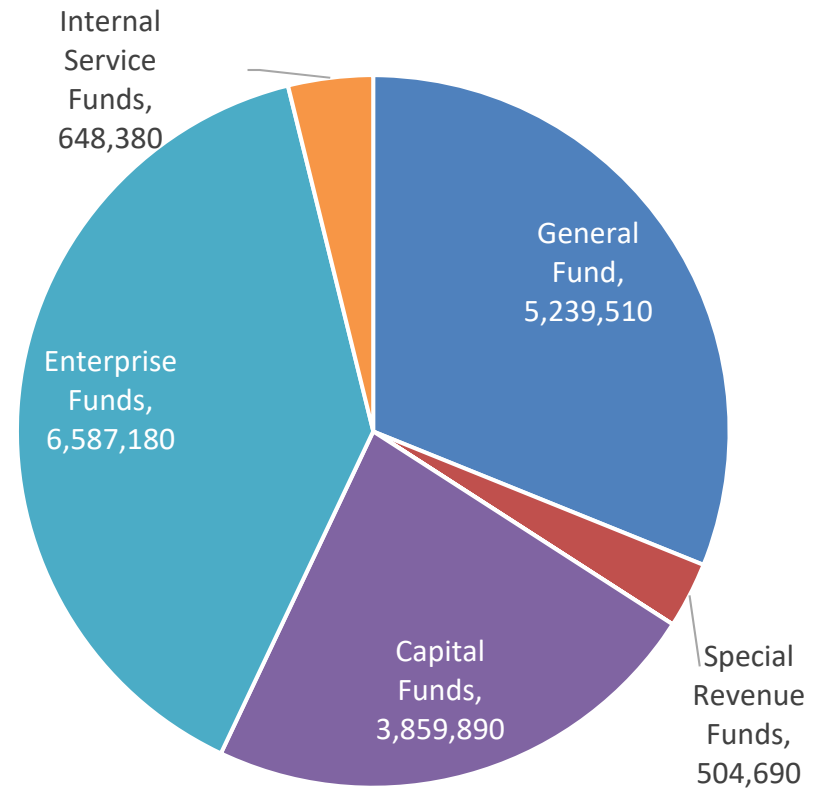
Median change by School District: 621 \$124  
 623 -\$355

# City Wide Budget Summary

City Wide Revenues - \$14,706,120



City Wide Expenditures - \$16,839,650





# City Wide Budget Summary

## Driving Factors in 2022 Budget

- Tax Levy Increase
  - 4.50% or \$192,600
- Capital Improvement Program CIP
- Increase in Public Safety Costs
  - Fire Contract (\$40,270), Police Contract (\$5,890), and Dispatch Contract (\$6,010)
- Personnel Costs
  - Cost of Living Adjustments, Position Changes, Step Increases and Health Insurance
- Utility rate increases based on projections, results from study and SPRWS future rate hikes

# Capital Improvement Plan

## Summary of Expenditures

| Expenditures by Year     |                  |                  |                  |                  |                  |                   |
|--------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Department               | 2022             | 2023             | 2024             | 2025             | 2026             | Total             |
| Economic Development     | -                | 270,000          | -                | 40,000           | -                | <b>310,000</b>    |
| Government Buildings     | 304,650          | 50,000           | 50,000           | 200,000          | 50,000           | <b>654,650</b>    |
| Parks Department         | 675,700          | 55,000           | -                | 336,000          | 720,000          | <b>1,786,700</b>  |
| Public Safety Department | 230,130          | 27,000           | 82,750           | 622,500          | 363,000          | <b>1,325,380</b>  |
| Sewer Department         | 90,000           | 460,000          | -                | 330,000          | -                | <b>880,000</b>    |
| Street Department        | 3,090,000        | 1,687,000        | 1,885,000        | -                | 1,385,000        | <b>8,047,000</b>  |
| Surface Water Department | 65,000           | 145,000          | 305,000          | 90,000           | 250,000          | <b>855,000</b>    |
| Water Department         | 75,000           | -                | 1,260,000        | 90,000           | 300,000          | <b>1,725,000</b>  |
| Equipment                | 42,000           | 80,000           | 316,000          | 230,000          | 160,000          | <b>828,000</b>    |
| <b>Total</b>             | <b>4,572,480</b> | <b>2,774,000</b> | <b>3,898,750</b> | <b>1,938,500</b> | <b>3,228,000</b> | <b>16,411,730</b> |

The above table shows the City of Arden Hill's estimated costs for capital projects and equipment for the next five years broken down by department.

# Resources for Property Tax Relief

- State of Minnesota Property Tax Refund
  - Qualified homeowners and renters when taxes are high relative to their incomes
  - Down load a M1PR form at [www.revenue.state.mn.us/property-tax-refund](http://www.revenue.state.mn.us/property-tax-refund)
  - Call the Minnesota Department of Revenue at **651-296-3781**
- State of Minnesota Senior Citizen Property Tax Deferral Program
  - Helps senior citizens who are having difficulty paying their property taxes.
  - Information can be found at [www.revenue.state.mn.us/property-tax-deferral-senior-citizens](http://www.revenue.state.mn.us/property-tax-deferral-senior-citizens)
  - Call Tax Operations Division at MN Department of Revenue **651-556-6091**

# Public Comment

Questions

