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2024 City of Bloomington Budget and Tax Levy
Public Hearing

Monday, December 4, 2023



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AGENDA

- *Budgetary Approach*
- *Budget Process*
- *Increased Public Engagement*
- *Key Expense Drivers*
- *Decrease from Preliminary Levy*
- *General Fund Revenue Budget*
- *General Fund Expense Budget*
- *General Fund Budget Comparison to 2023*
- *2024 Proposed Tax Levy*
- *Sample Residential Property Tax Stmt.*
- *Comparison to Other Cities*
- *Property Tax Refund Program*
- *Public Hearing*

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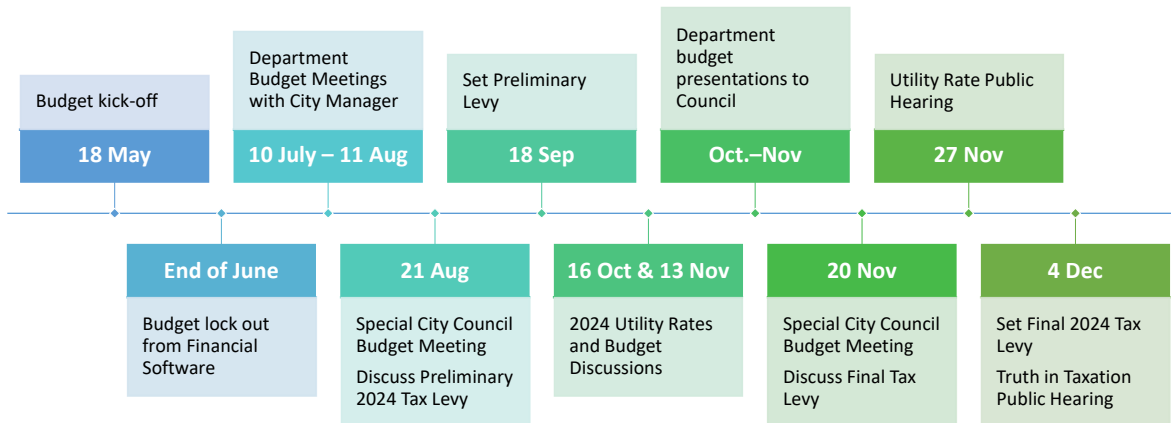
Budgetary Approach

- Continued investments in Public Safety
- Maintaining services that residents value
- Focus on strategic allocation of resources
- Aligned budget requests with the City’s Strategic Plan, *Bloomington. Tomorrow. Together.*
- Increased public engagement



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Budget Process



Budget Public Engagement at events from May 20 – October 14



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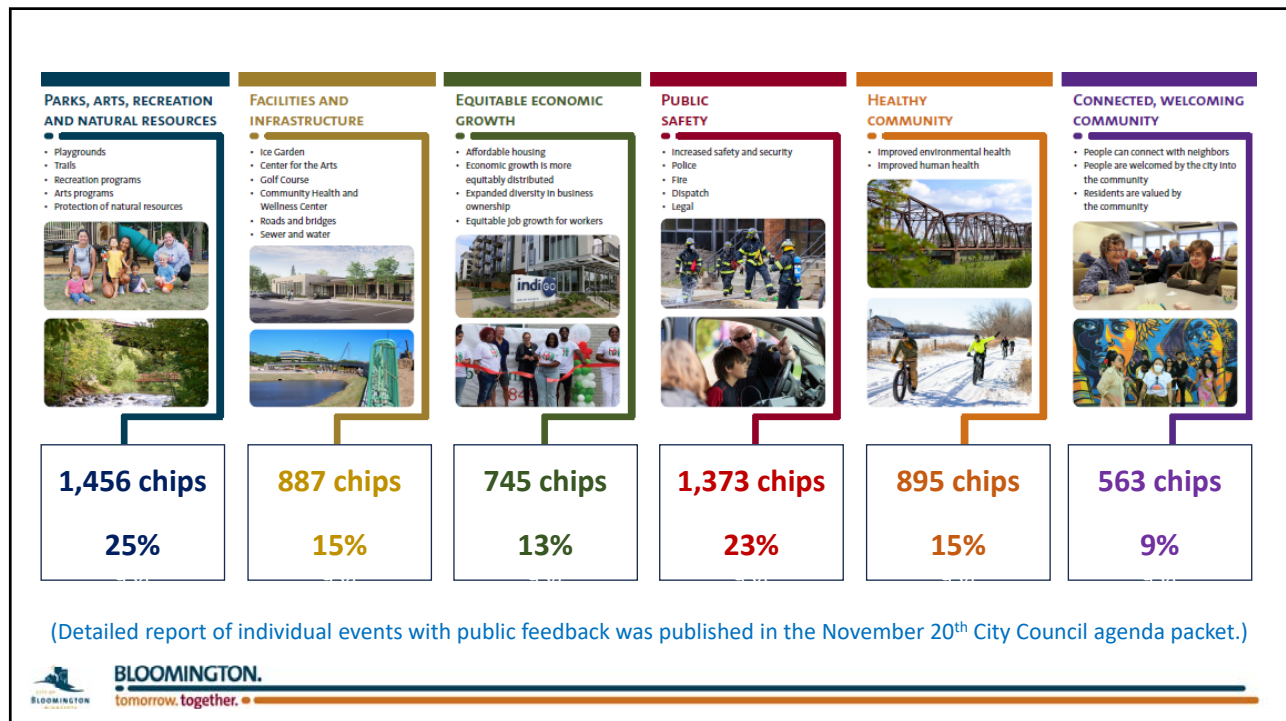
Budget Public Engagement



- 13 events completed with 916 resident interactions
- Let's Talk Bloomington 271 survey responses



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Let's Talk Bloomington

271 survey responses

(Full report with 178 written responses was included in the November 20th agenda packet.)

Rank your budget priorities! : Survey Report for 10 May 2023 to 13 November 2023

Q1 Rank the following areas by priority with 1 being your highest and 6 being your lowest priority.

OPTIONS	AVG. RANK
Public Safety	2.01
Parks, Arts, Recreation, and Natural Resources	2.71
Facilities and Infrastructure	2.93
Healthy Community	3.77
Equitable Economic Growth and Affordable Housing	4.73
Connected, Welcoming Community	4.84



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Mandatory Question (271 response(s))
Question type: Ranking Question

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Key Expense Drivers

Expected labor market pressure

- Competitive salaries and benefits are needed to attract and retain skilled personnel

Continued commitment to Public Safety

- Transition from Paid-on-Call Part-Time Fire Fighters to hybrid of Part-Time and Full-Time

Economic volatility

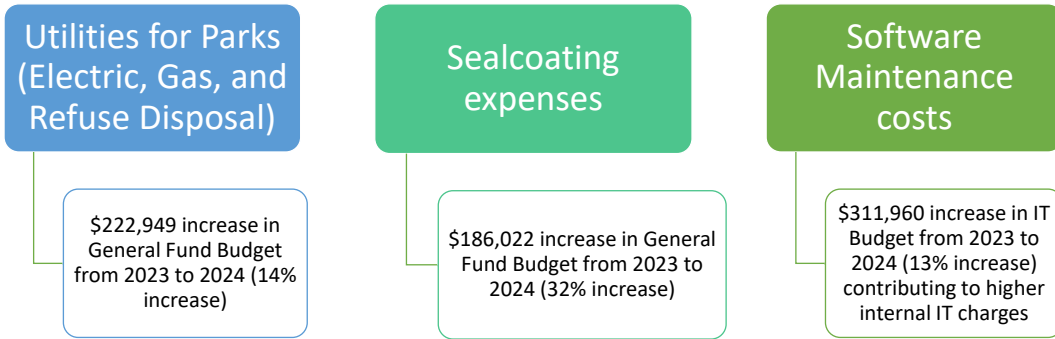
- Affecting costs of materials and services



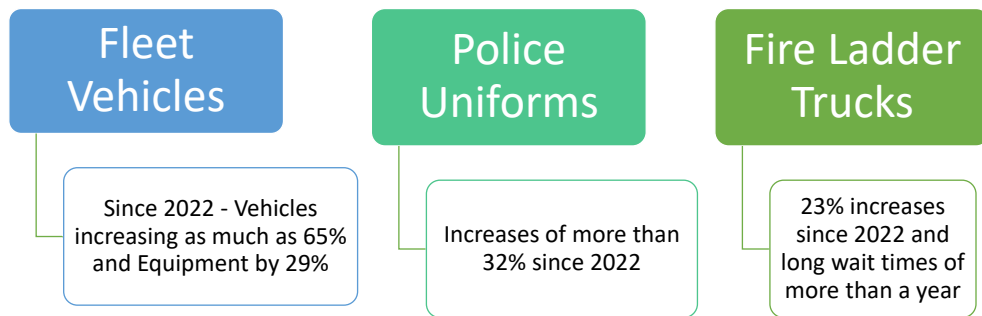
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Examples of Economic Volatility



Examples of Economic Volatility (continued)



Investments in Public Safety

Police

2023

- Added 4 new police officers
- Added 1 new dispatch training coordinator

2024

- Budget request includes 1 new dispatcher

Fire

2023

- Added 21 new full-time firefighters

2024


- Budget request includes 6 new full-time firefighters




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Change from Preliminary 2024 Budget and Levy

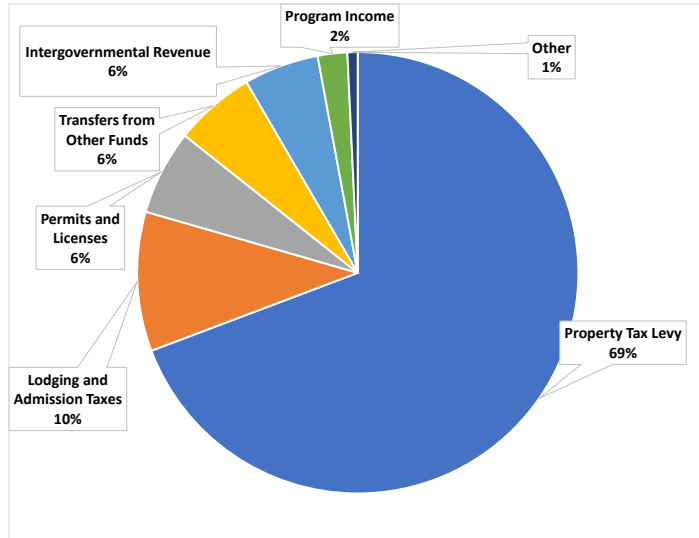
Change from Preliminary 2024 Budget	\$ change to Levy	
Transfer from Employee Benefits fund	-535K	Preliminary Tax Levy: Increase of 9.49%
Increase in Permit Revenue	-300K	Proposed Final Tax Levy: Increase of 7.97%
Wait until Q2 2024 to hire 6 additional firefighters	-191K	
Budget relief from Public Safety State Aid	-40K	
Small adjustments throughout departments	-22K	
Increased estimate of Police COT overhead	-20K	
Total reduction from preliminary levy	-\$1.1 M	Reduction of \$1.1 million (1.52%)



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2024 General Fund Revenues

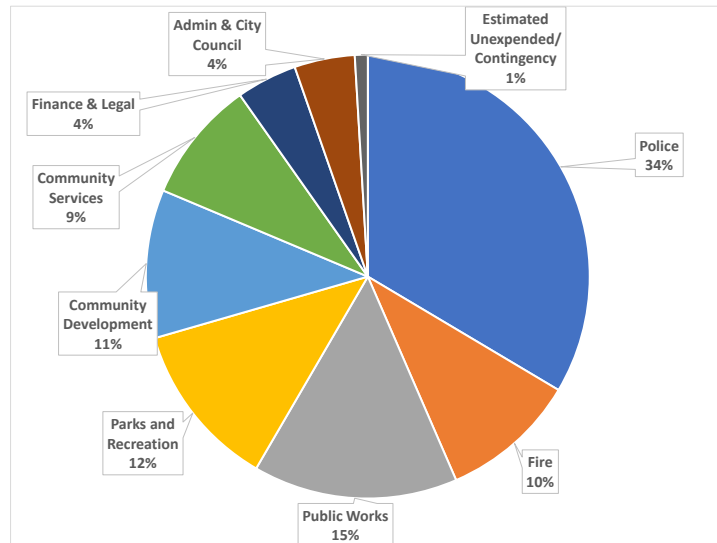
	Recommended Final 2024 Tax Levy
Property Tax Levy	\$69,321,549
Lodging and Admission Taxes	10,219,748
Permits and Licenses	6,219,054
Transfers from Other Funds	5,927,769
Intergovernmental Revenue	5,489,054
Program Income	2,173,972
Other	746,968
Total	\$100,098,114



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2024 General Fund Expenses

	Recommended Final 2024 Tax Levy
Police	\$33,576,947
Fire	9,950,571
Public Works	14,923,458
Parks and Recreation	12,143,460
Community Development	10,829,579
Community Services	8,899,289
Finance & Legal	4,429,906
Admin & City Council	4,408,586
Estimated Unexpended/Contingency	936,318
Total	\$100,098,114



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General Fund 2024 Budget Request

	2023 Budget	2024 Budget	\$ from 2023	% from 2023
Revenues				
Program Income	\$ 2,147,633	\$ 2,173,972	\$ 26,339	1.23%
Permits and Licenses	6,810,450	6,219,054	(591,396)	-8.68%
Intergovernmental	5,719,627	5,489,054	(230,573)	-4.03%
Other Revenues	765,745	746,968	(18,777)	-2.45%
Property Taxes	63,991,380	69,321,549	5,330,169	8.33%
Lodging and Admission Taxes	9,526,435	10,219,748	693,313	7.28%
Transfers from Other Funds	5,200,441	5,927,769	727,328	13.99%
Total Revenues	94,161,711	100,098,114	5,936,403	6.30%
Expenditures				
Salaries and Benefits	70,867,724	75,064,233	4,196,509	5.92%
Materials, Supplies, & Services	14,041,694	14,959,979	918,285	6.54%
Internal Charges	18,795,816	20,113,046	1,317,230	7.01%
Capital Outlay	289,858	196,500	(93,358)	-32.21%
Less estimated unspent	(1,380,434)	(1,505,099)	(124,665)	9.03%
Contingency	2,298,627	2,441,417	142,790	6.21%
Transfer to Other Funds	-	-	-	0.00%
Total Expenditures	\$ 104,913,285	\$ 111,270,076	\$ 6,356,791	6.06%
Less Expenses Charged to Other Funds	(10,751,574)	(11,171,962)	(420,388)	3.91%
Net Total Expenditures	\$ 94,161,711	\$ 100,098,114	\$ 5,936,403	6.30%
Revenues less Expenditures	\$ -	\$ (0)	\$ (0)	0.00%



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Proposed 2024 Tax Levy

	2023 Tax Levy	2024 Tax Levy	Tax Levy \$ Change	Tax Levy % Change
General Revenues:				
General Fund	\$63,991,380	\$69,321,549	\$5,330,169	
Communications	\$400,000	\$400,000	\$0	
Forestry	\$185,000	\$185,000	\$0	
Fire Pension	\$1,000,000	\$1,050,000	\$50,000	
Aquatics	\$465,000	\$500,000	\$35,000	
Art Center	\$1,000,000	\$1,000,000	\$0	
Golf	\$161,343	\$105,565	(\$55,778)	
Ice Garden	\$125,000	\$125,000	\$0	
Tax Abatement	\$300,000	\$400,000	\$100,000	
Total General Revenues	\$67,627,723	\$73,087,114	\$5,459,391	7.32%
Debt Service	\$6,918,155	\$7,397,156	\$479,001	0.64%
Total Tax Levy	\$74,545,878	\$80,484,270	\$5,938,392	7.97%

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Average Preliminary 2024 Tax Levy increase for Minnesota Cities 8.4%



For immediate release:
November 16, 2023

Cities - The 2024 preliminary property tax levies for cities will total approximately \$3.462 billion compared with a final levy of \$3.194 billion in 2023, an 8.4% increase.

Counties - The 2024 preliminary property tax levies for counties will total approximately \$3.981 billion compared with a final levy of \$3.757 billion in 2023, a 6% increase.

Townships - The 2024 preliminary property tax levies for townships will total approximately \$314 million compared with a final levy of \$294 million in 2023, a 6.8% increase.

Schools - The 2024 preliminary property tax levies for schools will total approximately \$4.036 billion compared with a final levy of \$3.702 billion in 2023, a 9% increase.

Special Taxing Districts - The 2024 preliminary property tax levies for special taxing districts will total approximately \$494 million compared with a final levy of \$459 million in 2023, a 7.8% increase.



Sample of 2024 Residential Property Tax Statement

Preliminary 9.49% City Tax Levy Increase

Revised 7.97% City Tax Levy Increase

Median Value Home - \$361,800

Median Value Home - \$361,800

- **City Property Tax** **\$1,444.68**
- County Property Tax \$1,233.71
- School Property Tax \$1,322.74
- Other Property Tax \$ 331.66
- **Total Property Tax** **\$4,332.79**

- **City Property Tax** **\$1,423.20**
- County Property Tax \$1,233.71
- School Property Tax \$1,322.74
- Other Property Tax \$ 331.66
- **Total Property Tax** **\$4,311.31**



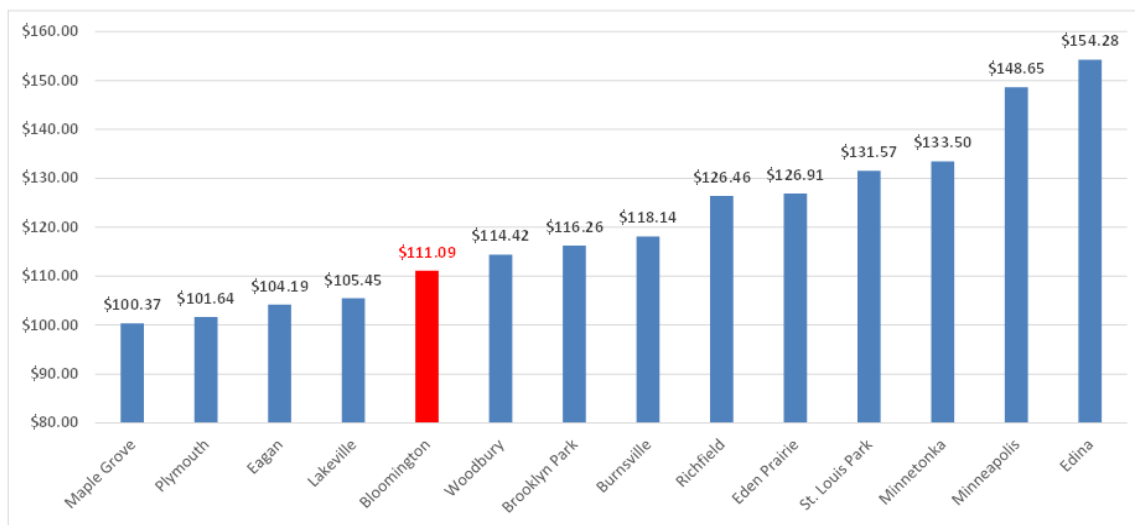
Proposed Final 2024 Tax Levy % Increase compared to other Cities Preliminary %'s

City	Increase	City	Increase
St Paul	3.70%	Plymouth	7.52%
Eden Prairie	4.96%	St Louis Park	7.65%
Minneapolis	5.12%	Minnetonka	7.75%
Richfield	5.89%	Bloomington	7.97% 9.49%
Golden Valley	6.55%	Woodbury	8.81%
Maple Grove	6.68%	Edina	9.36%
Eagan	6.94%	Lakeville	10.84%
Burnsville	7.25%	Brooklyn Park	11.77%

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2023 Final Property Tax

Comparison of Median Value Home \$ per Month



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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



State of Minnesota - Property Tax Refund (Form M1PR)

- Two types available:
 - Regular Property Tax Refund
 - Compares property taxes versus your total household income
 - Renter income less than \$69,520; Homeowner less than \$128,280
 - Special Property Tax Refund
 - Increase in taxes beyond State set level
 - For 2022 to 2023: increase of 6% and at least \$100 increase.
- Due date is August 15 - you may file up to one year after the due date
- You must homestead the property to qualify for refund



Senior Deferral Property Tax Program

- Caps property taxes a resident pays each year at 3% of previous year's income.
- Person must be 65 or older, if they are married, their spouse must be 62 or older.
- Household income needs to be less than \$96,000.
- Must have lived in home for the last 5 or more years.
- Must have homesteaded home for the last 5 or more years.
- When home is sold deferral is voluntarily cancelled, loan must be repaid with interest.
 - The interest rate varies but does not exceed 5%.
- *Changes for this year include 5 instead of 15 years lived/homestead the house and household income limit increase to **\$96,000** from \$60,000.*
- *The City Assessors office is available to help residents who have questions about this program.*



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Public Hearing 2024 Tax Levy



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Motions

Motion by _____, seconded by _____ to adopt Resolution No. 2023-_____, Adopting the Final 2024 General Fund Budget.

AND

Motion by _____, seconded by _____ to adopt Resolution No. 2023-_____, Establishing Final Tax Levies for the City of Bloomington for the Year 2024.



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