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2022 Budget and Tax Levy Public Hearing  
December 6, 2021



## Outline

- Key Points in 2022 Budget Request
- Property Tax Levy Shift from Commercial to Residential
- Property Tax Refund Program
- Comparison Cities Preliminary Tax Levies
- Impact to Median Value Home
- Proposed 2022 General Fund Revenue Budget
- Proposed 2022 General Fund Expense Budget
- 2022 Proposed Tax Levy
- Public Hearing

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## Key Points in 2022 Budget Request

- The amount of the City's preliminary tax levy was set at \$68.3 million
- This was a 2.75% increase from the City's 2021 tax levy of \$66.5 million, and an overall increase of \$1.8 million
- The proposed levy funds 68% of the City's General Fund budget
- The vast amount of new spending is a major investment in public safety

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## General Fund Levy Increase for 2022

- Of the \$1.8 million tax levy increase, \$707,909 is an increase for the General Fund.
- The General Fund includes over \$1.5 million in new spending for Police and Fire initiatives and staffing that include the following:
  - \$1,100,000 for additional Fire Department Duty Crew pay and hours
  - \$ 396,000 for three full-time Fire Department Battalion Chiefs
  - \$ 56,000 for additional staffing needs in the Police Support Division
- Federal American Rescue Plan funds and a forecasted increase in lodging and admission taxes are helping to minimize the increase in property tax support for the General Fund.

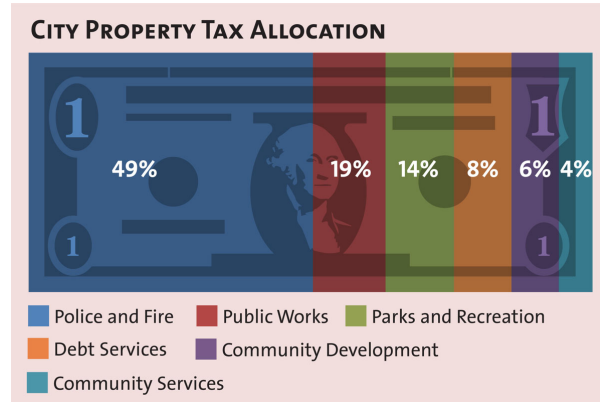
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## City Property Tax Allocation

- For every dollar of City taxes paid, 49 cents goes toward Police and Fire

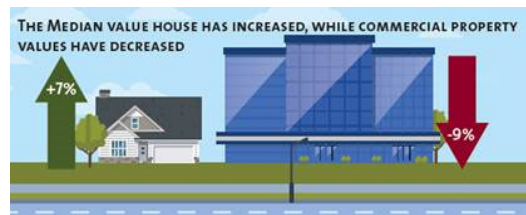


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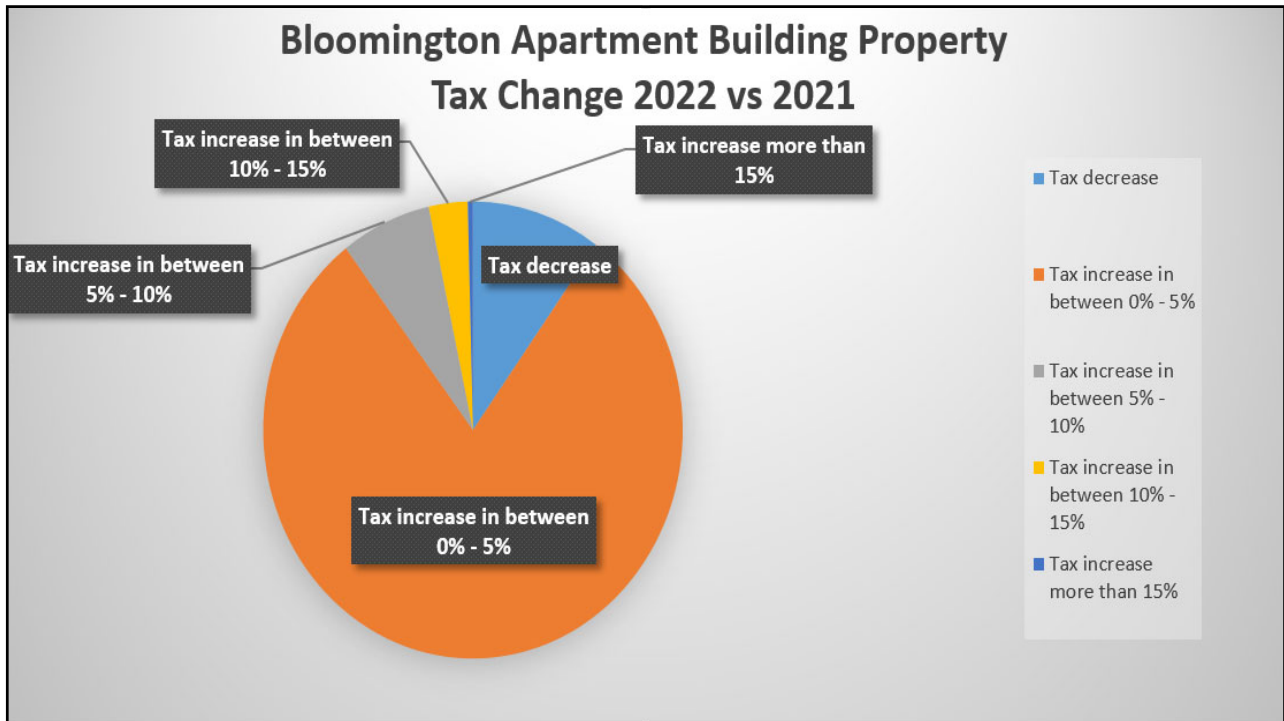
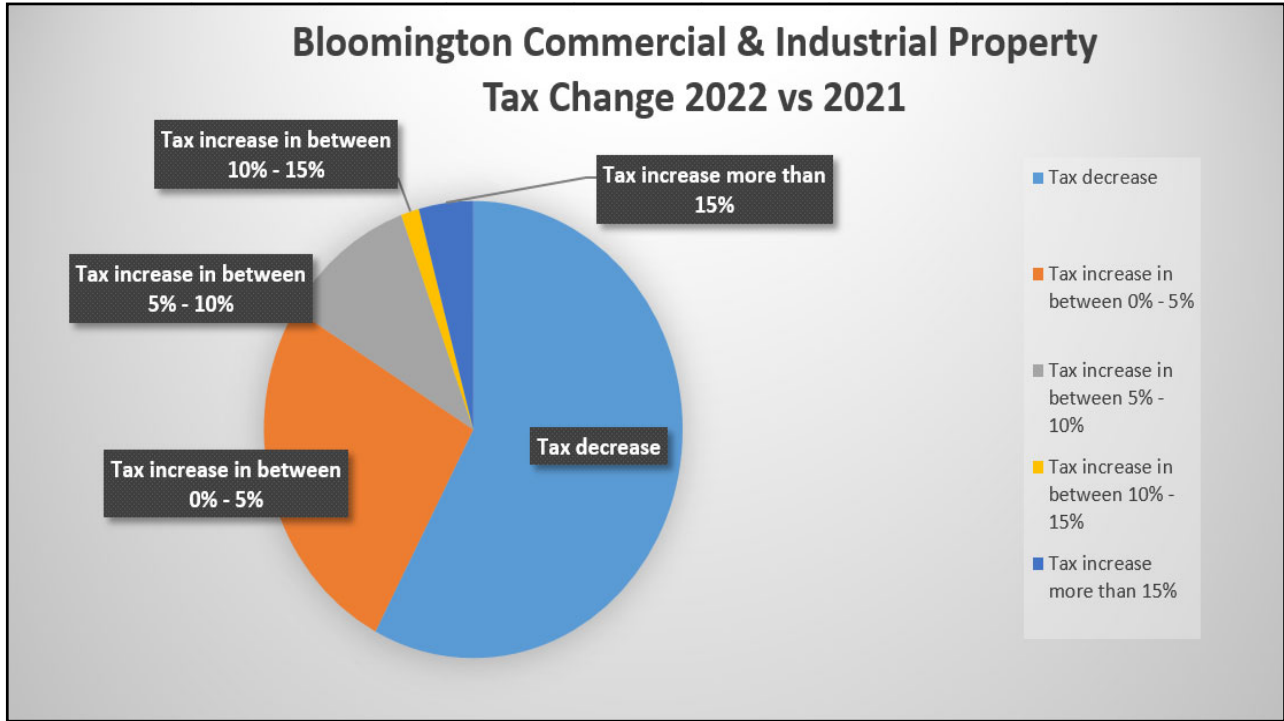


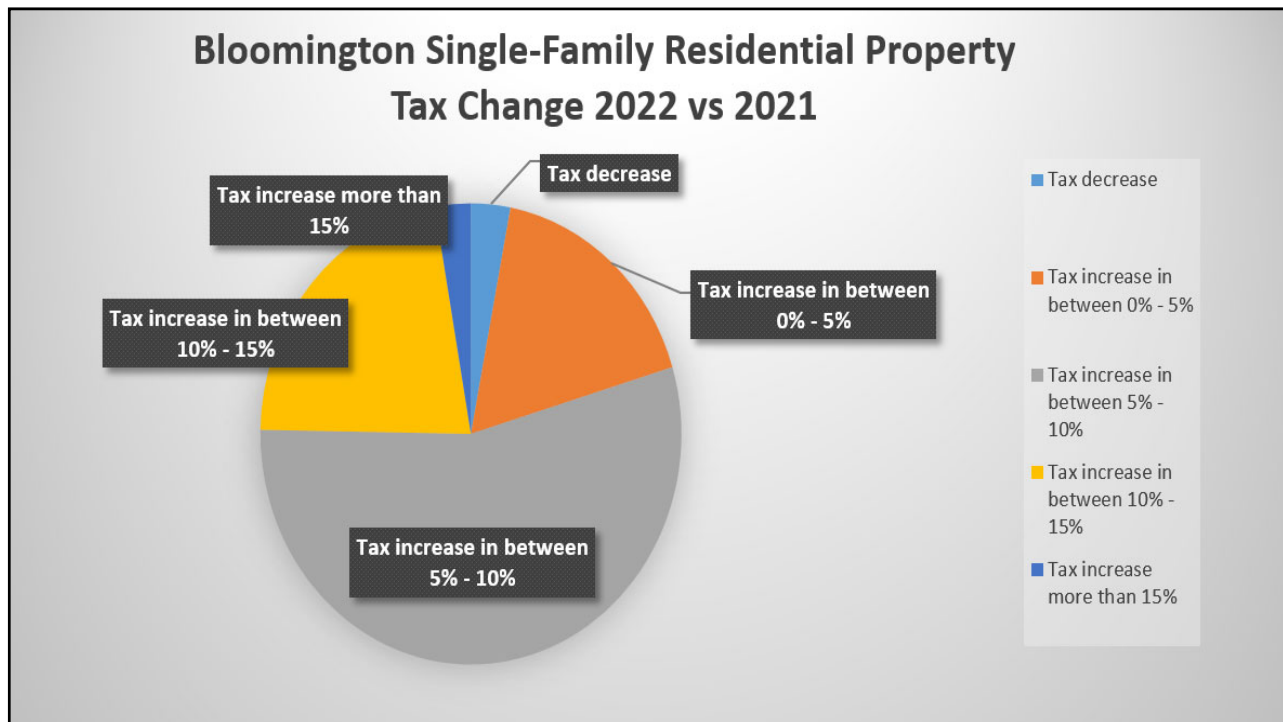
## Property Tax Levy Shift

- Minnesota Property tax calculations are complex, but overall properties that have higher values pay a higher portion of the tax levy.
- For 2022 property tax statements, there was an overall shift in the amount of taxes paid by residential properties as the strong demand in the housing market has increased the values of many homes in Bloomington while commercial properties saw a decline in value due to the pandemic - mainly in the lodging and retail sector



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## Impacts to Median Value Home & Apartment

- The value of the median Bloomington home increased by 7.3% to \$307,200.
- The value of the median Bloomington apartment increased by 1.2% to \$111,800.

	Median Value for 2022	% Valuation Increase from 2021	Monthly Tax Change at 2.75% Levy Increase
Home	\$307,000	7.3%	\$10.23
Apartment	\$111,800	1.2%	\$1.81



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

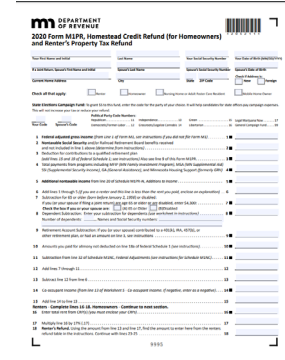
Minnesota homeowners and renters may qualify for a Property Tax Refund. The Refund provides property tax relief depending on your income and property taxes.

### For more information-

Minnesota Department of Revenue:

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

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



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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 \$62,960; Homeowner less than \$116,180
  - Special Property Tax Refund
    - Increase in taxes beyond State set level
    - For 2020 to 2021: increase of 12% and at least \$100 increase.

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## Additional Subtractions can Help to Qualify or Increase Refund Amounts

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

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## Comparison Cities – 2022 Preliminary Tax Levy Increase

Bloomington's preliminary tax levy increase of **2.75%** is considerably less than the average **6.05%** preliminary tax levy increase of these 15 other comparison cities.

Comparison City	Preliminary 2022 Tax Levy Increase
<b>Bloomington</b>	<b>2.75%</b>
Maple Grove	3.03%
Eagan	3.91%
Apple Valley	4.40%
Blaine	4.45%
Burnsville	4.75%
Eden Prairie	5.09%
Minneapolis	5.49%
Woodbury	5.55%
Minnetonka	5.59%
St Louis Park	7.87%
St Paul	6.92%
Plymouth	7.07%
Lakeville	7.50%
Edina	9.01%
Brooklyn Park	10.11%

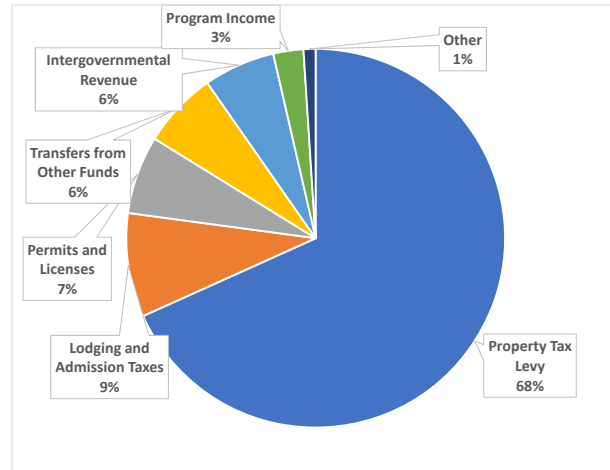
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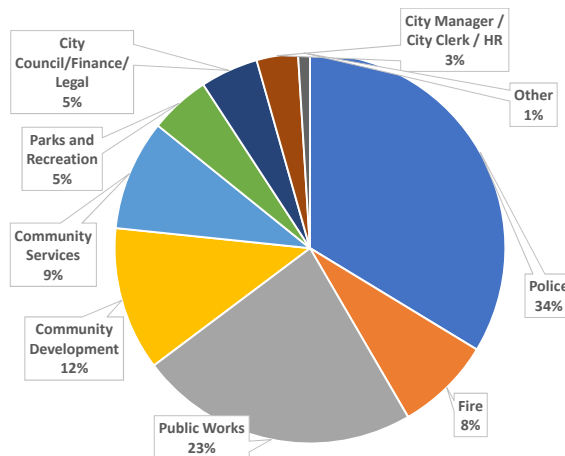
## Proposed 2022 General Fund Revenues

	Recommended Final 2022 Tax Levy
Property Tax Levy	\$58,228,169
Less Delinquent Taxes	(756,966)
Admissions Tax	1,354,391
Lodging Tax	6,219,089
Business Licenses	1,850,464
Permits	3,838,701
Fines	500,000
Program Income	2,185,312
Intergovernmental	5,197,686
Transfers from Other Funds	5,545,981
Interest and Miscellaneous	1,138,345
<b>Total</b>	<b>\$85,301,172</b>



## Proposed 2022 General Fund Expenses

	Recommended Final 2022 Tax Levy
City Council	\$524,816
Administration	2,925,563
Legal	2,060,920
Finance	1,502,591
Police	28,737,163
Fire	6,765,460
Community Development	10,146,069
Community Services	7,812,069
Parks and Recreation	4,269,197
Public Works	19,726,808
Estimated Unexpended / Contingency	830,516
<b>Total</b>	<b>\$85,301,172</b>



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# 2022 Proposed Tax Levy

**General Revenues:**

General Fund	\$57,520,260	\$58,228,169	\$707,909		\$86.35		
Communications	\$175,000	\$295,000	\$120,000		\$0.44		
Forestry / Diseased Trees (Solid Waste Fund)	\$185,000	\$185,000	\$0		\$0.27		
Fire Pension	\$1,050,000	\$1,050,000	\$0		\$1.56		
Aquatics	\$515,000	\$515,000	\$0		\$0.76		
Art Center	\$1,000,000	\$1,000,000	\$0		\$1.48		
Golf	\$161,343	\$161,343	\$0		\$0.24		
Ice Garden	\$80,000	\$80,000	\$0		\$0.12		
Strategic Priorities	\$0	\$600,000	\$600,000		\$0.89		
Tax Abatement	\$300,000	\$300,000	\$0		\$0.44		
<b>Total General Revenues</b>	<b>\$60,986,603</b>	<b>\$62,414,512</b>	<b>\$1,427,909</b>	<b>2.15%</b>	<b>\$92.56</b>		

**Debt Service**

<b>Total Tax Levy</b>	<b>\$5,482,231</b>	<b>\$5,882,215</b>	<b>\$399,984</b>	<b>0.60%</b>	<b>\$8.72</b>		
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	2021 Tax Levy	2022 Tax Levy	Tax Levy \$ Change	Tax Levy % Change	Median Value Home Monthly City Tax	Median Value Home City Tax \$ Change	Median Value Home City Tax % Change
<b>Total Tax Levy</b>	<b>\$66,468,834</b>	<b>\$68,296,727</b>	<b>\$1,827,893</b>	<b>2.75%</b>	<b>\$101.28</b>	<b>\$10.23</b>	<b>11.24%</b>
					<i>Change based on tax levy</i>		
						<b>\$2.93</b>	<b>3.22%</b>
					<i>Change based market impact</i>		
						<b>\$7.30</b>	<b>8.02%</b>



## Questions and Discussion





# Public Hearing – 2022 Tax Levy



## Resolution Adopting 2022 General Fund Budget and Resolution Establishing 2022 Property Tax Levy

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt  
Resolution No. 2021-\_\_\_\_\_, Resolution Adopting the Final 2022  
General Fund Budget .

AND

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt  
Resolution No. 2021-\_\_\_\_\_, Resolution Establishing Final Tax Levies  
for the City of Bloomington for the Year 2022.

