



**Preliminary Payable
2022 Tax Levies and
Preliminary 2022
General Fund Budget**

**September 8, 2021
Council Meeting**

Preliminary Payable 2022 City Tax Levies

	<u>2022 Preliminary</u> <u>General Fund & BLEDA</u> <u>Levy</u>	<u>2021 Final</u> <u>General Fund & BLEDA</u> <u>Levy</u>	<u>Increase/(Decrease)</u>
General	\$ 3,638,582	\$ 3,512,929	\$ 125,653
<u>Specials:</u>			
<i>Abatement Property Tax Levy</i>			
Abatement Levy- Lupulin	7,050	7,050	
<i>Abatement/TIF Debt Levy</i>			
GO Tax Abatement- Series 2014A	26,750	24,750	
GO Taxable Tax Abatement- Series 2016A	194,739	199,103	
<u>Debt:</u>			
2011B GO Improvement Bonds	235,000	314,000	
2012A GO Refunding Bonds	-	15,000	
2015A GO Refunding Bonds	290,724	319,865	
2016B GO Capital Improvement Plan Bonds	59,351	60,139	
2016C GO Crossover Refunding Bonds	341,408	241,763	
2021A GO Improvement Bonds	211,125	-	
Total Specials and Debt Levy	<u>1,366,147</u>	<u>1,181,670</u>	<u>184,477</u>
Total General Fund, Specials and Debt Levy	\$ 5,004,729	\$ 4,694,599	\$ 310,130
Big Lake Economic Development Authority Levy	\$ 130,000	\$ 130,000	\$ -
Total City Levy	<u>\$ 5,134,729</u>	<u>\$ 4,824,599</u>	<u>\$ 310,130</u>
City Tax Rate	2022 Preliminary 48.99%	2021 Final 49.77%	-0.78%

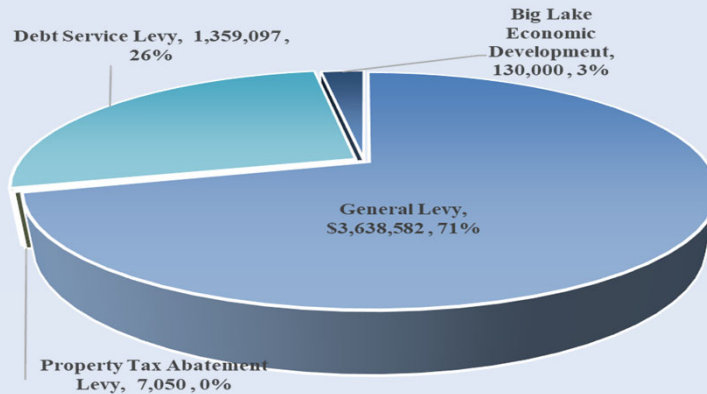
The proposed Tax Levy for the City is \$5,004,729 which is an increase of \$310,130 or 6.43% over 2021.

The propose Tax Levy for the Big Lake Economic Development Authority is \$130,000, the same as 2021

The total preliminary Tax Levies for the City is \$5,134,729. The preliminary levy is the maximum levy amount for the year, Council can not raise the levy once the preliminary is set for the next year tax payables.

2022 Proposed Tax Levy Summary

Component of Tax Levy	2022 Proposed Levy			
	2021	2022	\$ Change	% Change
General Levy	\$ 3,512,929	\$ 3,638,582	\$ 125,653	3.58%
Property Tax Abatement Levy	\$ 7,050	7,050	-	0.00%
Debt Service Levy	1,174,620	1,359,097	184,477	15.71%
Big Lake Economic Development	130,000	130,000	-	0.00%
	<u>\$ 4,824,599</u>	<u>\$ 5,134,729</u>	<u>\$ 310,130</u>	<u>6.43%</u>



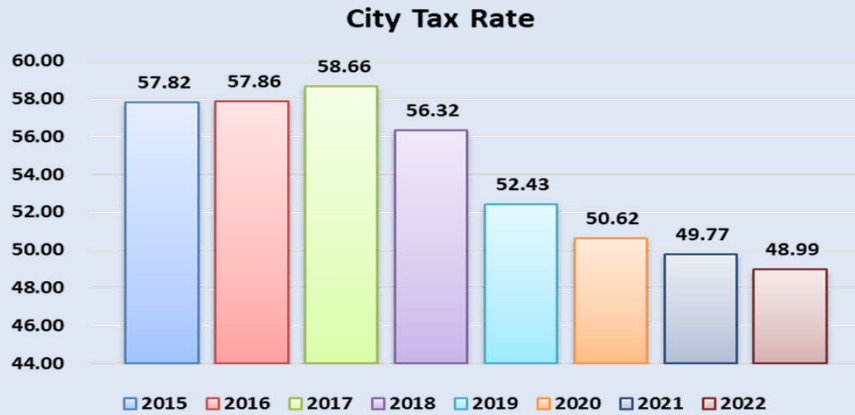
The components of the tax levy are as follows:

The General Levy, \$3,638,582 shows an increase of \$125,653, and represents 71% of the total tax levy. This levy is the revenue needed to balance the general fund budget. The General Fund budget are the expenditures associated with the services provided to the community.

The Debt Service Levy, \$1,359,097 is used to pay the yearly debt payment for the City and represents 26% of the total tax levy. The City can not pay off debt any sooner than what is outlined in the bond documents. The City can though use excess cash to make the yearly debt payments in lieu of increasing the debt service levy.

The Big Lake Economic Development levy are the funds used for economic development within the City. In 2019, the City increased this levy to pay for 50% of the executive directors salary and is at \$130,000.

2022 City Tax Rate – Decrease of .78%



The City Tax Rate for 2022 is projected to decrease by .78 to 48.99. It is the City Tax rate that is used to calculate what each individual property will pay in City property taxes.

Preliminary property values show an increase of 7%, with the City Tax Rate of 48.99 and the estimated 7% increase in property values residents would see an increase to the City portion only of their property taxes anywhere from \$3 to \$7 per month, depending on the value of property. If property values did not increase then the City's portion of property taxes would remain flat or a slight reduction.

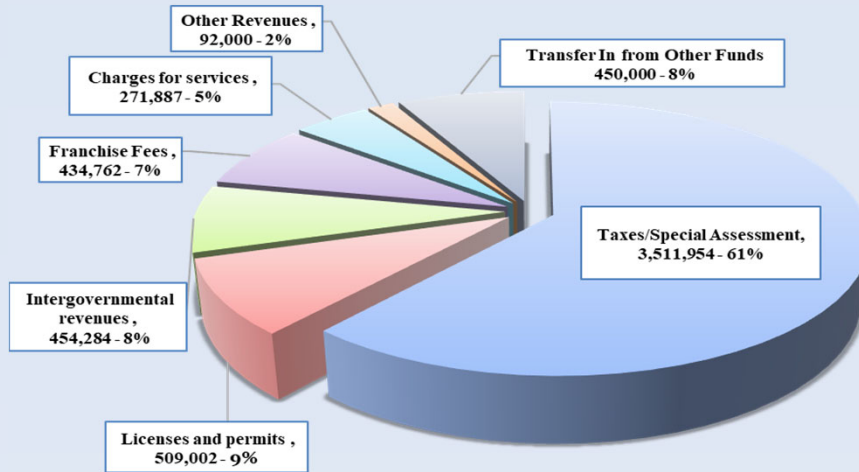
2022 General Fund Proposed Budget

	2021 Adopted Budget	2022 Proposed Budget	2021 - 2022	
			\$ Change	% Change
REVENUE				
Taxes	\$ 3,389,743	\$ 3,509,954	\$ 120,211	3.65%
Special assessments	2,000	2,000	-	0.00%
Licenses and permits	467,217	509,002	41,785	6.04%
Intergovernmental revenues	456,284	454,284	(2,000)	-0.39%
Franchise Fees	432,362	434,762	2,400	0.55%
Charges for services	326,406	271,887	(54,518)	-19.04%
Fines and forfeitures	61,000	61,000	-	0.00%
Interest earnings	17,000	17,000	-	0.00%
Contributions/Donations	3,000	3,000	-	0.00%
Miscellaneous revenue	1,000	1,000	-	0.00%
Trans fer In from Other Funds	450,000	450,000	-	0.00%
Total Current year revenues	5,606,012	5,713,889	107,878	1.73%
Prior year Donations - Designed Fund Balance	10,000	10,000	-	0.00%
TOTAL GENERAL FUND REVENUES BUDGET	5,616,012	5,723,889	107,878	1.92%
EXPENDITURES				
Mayor/Council	34,196	33,857	(339)	-1.13%
Planning and Zoning	148,132	185,092	36,960	23.42%
Elections	6,300	29,300	23,000	89.83%
Administration and Finance	568,387	580,485	12,098	1.43%
IT - Computer/Software/Maintenance	107,146	108,809	1,663	1.92%
BLCSC	72,572	67,409	(5,164)	-7.78%
EDA	116,381	113,737	(2,644)	-2.79%
Building Inspection	245,512	238,421	(7,091)	-3.20%
Engineering	106,860	100,898	(5,962)	-6.98%
Fleet Maintenance	144,076	174,402	30,326	100.00%
Streets	592,198	614,020	21,822	3.69%
Parks	502,635	524,896	22,261	3.67%
Police	2,132,226	2,240,543	108,317	5.26%
Fire	417,853	289,248	(128,605)	-44.73%
Community - Recreation	103,820	106,552	2,732	2.99%
Transfers out	317,717	316,221	(1,496)	-0.26%
TOTAL GENERAL FUND EXPENDITURES	5,616,012	5,723,889	107,878	1.92%

Looking at the 2022 Balanced General Fund Preliminary Budget is at \$5,723,889, which is a 1.92% increase over the 2021 Adopted Budget.

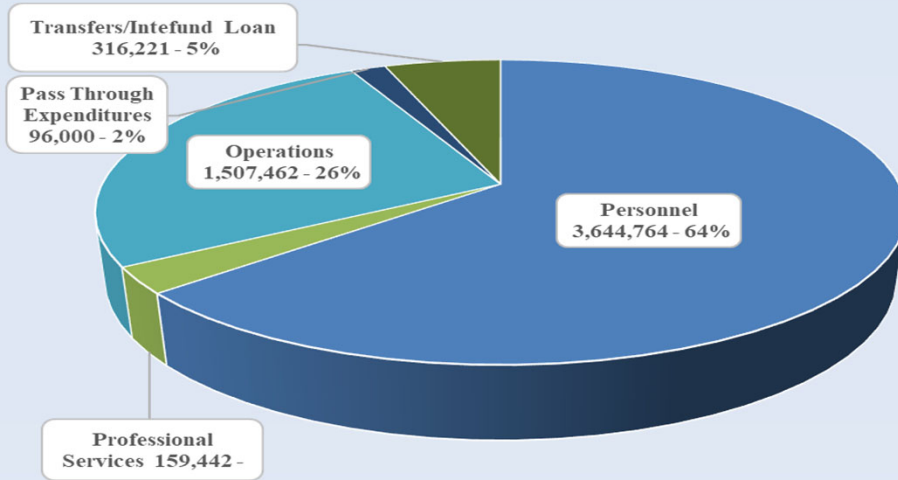
The majority of the increase in all departments is related to Personnel with Step Increases and a 3.2% market rate increase to the City's pay plan. There also was a 6% increase to health insurance premiums and 32% increase in Workers Compensation for the police department. The 2022 proposed budget also includes increase in maintenance of equipment, buildings and increase in utility costs.

2022 General Fund Proposed Budget Revenues



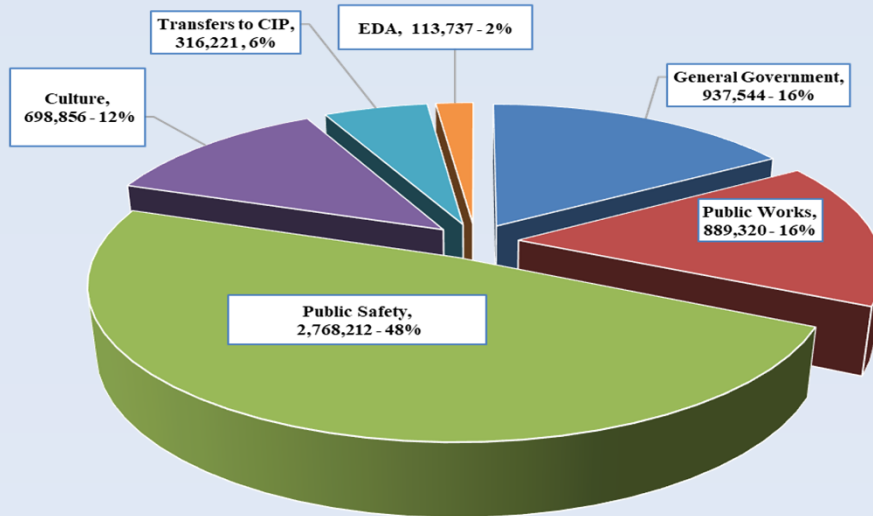
Reviewing the proposed revenues, you will see that 61% of the revenues needed to balance the budget are from the collection of property taxes; with 8% from the \$450,000 transfer from the Liquor Store. This transfer helps lower the overall funds needed to be raised via property taxes in order to balance the budget. Great reason as to why it is important to shop local as the profit from the liquor store are poured back into the community through the services provided by the City.

2022 General Fund Proposed Budget Expenditure By Category



Reviewing the proposed expenditures you will see that 64% of the expenditures are allocated to personnel, this is expected considering the main objective of the City is to provide services for those in the City.

2022 General Fund Proposed Budget Expenditure By Service



Reviewing the proposed expenditures by services you will see that 48% of the expenditures are allocated to public safety, which includes our police, fire and building department, one of the reasons why Big Lake is such a safe and great community; 16% is allocated to the public works department which maintains the infrastructure of the city and 12% is allocated to culture, which includes the park department and the library, which helps promotes quality of life in Big Lake

Preliminary 2022 General Fund and Levy Recap

- Preliminary Levy is at \$5,134,729, an increase of \$310,130 or 6.43% over 2021
- Preliminary City Tax rate is 48.99%, a decrease of .78%
- Preliminary General Fund Budget is at \$5,723,889, an increase of \$107,878 or 1.92% over 2021
- Cost per day to provide City Services, based on population estimate of 11,551 is \$1.36

Cost per day to provide City Services - \$1.36



Final recap; the total preliminary levy is \$5,134,729, with the preliminary tax rate of 48.99, which is a decrease of 0.78 over 2021. The preliminary General Fund Budget is \$5,723,889 which is an increase of \$107,878 over 2021.

The cost to provide the City Services per day is \$1.36; based on estimated population of 11,551

Just a reminder the preliminary levy can be reduced but not increased prior to the final levy certification which occurs in December.

Questions



Please feel free to contact myself (Deb) at 763-251-2974

With that I can take any questions, otherwise I would look for approval of the 2022 Preliminary City Tax Levy. Just a reminder the levy can not be increased once the preliminary is approved.