



TRUTH IN TAXATION HEARING
2021 BUDGET
MONDAY, NOVEMBER 30, 2020

For Tonight, We Intend To:

- Provide more detail on the proposed 2021 budget for the City of North Branch and the subsequent City property tax impact
- Provide context on what went into the City's budget development process
- Answer any questions you may have regarding the City's proposed 2021 budget

Factors Influencing the 2021 Budget

- COVID-19 pandemic and resulting impact on the community, residents and businesses
- Uncertain budget impact to the State, which, in turn, could affect our local government aid distribution
- First year of payments for new fire truck
- Increases in expenditures for existing personnel and services due to contractually-obligated factors
- Debt payments

Financial/Budget Objectives

- ✓ Continue to pay down debt.
- ✓ Continue to maintain adequate reserves.
- ✓ Maintain fiscal responsibility so that the City can provide the highest level of service at the lowest possible cost to residents.

2021 Proposed City Budget & Levy

- Proposed City levy increase of only 1.96%
- City taxes on median value home (\$225,000) would increase approximately \$33 annually or less than \$3 per month
- Sample City Tax line item on property tax statement:

7. City or Town - NORTH BRANCH	\$870.02	\$896.75
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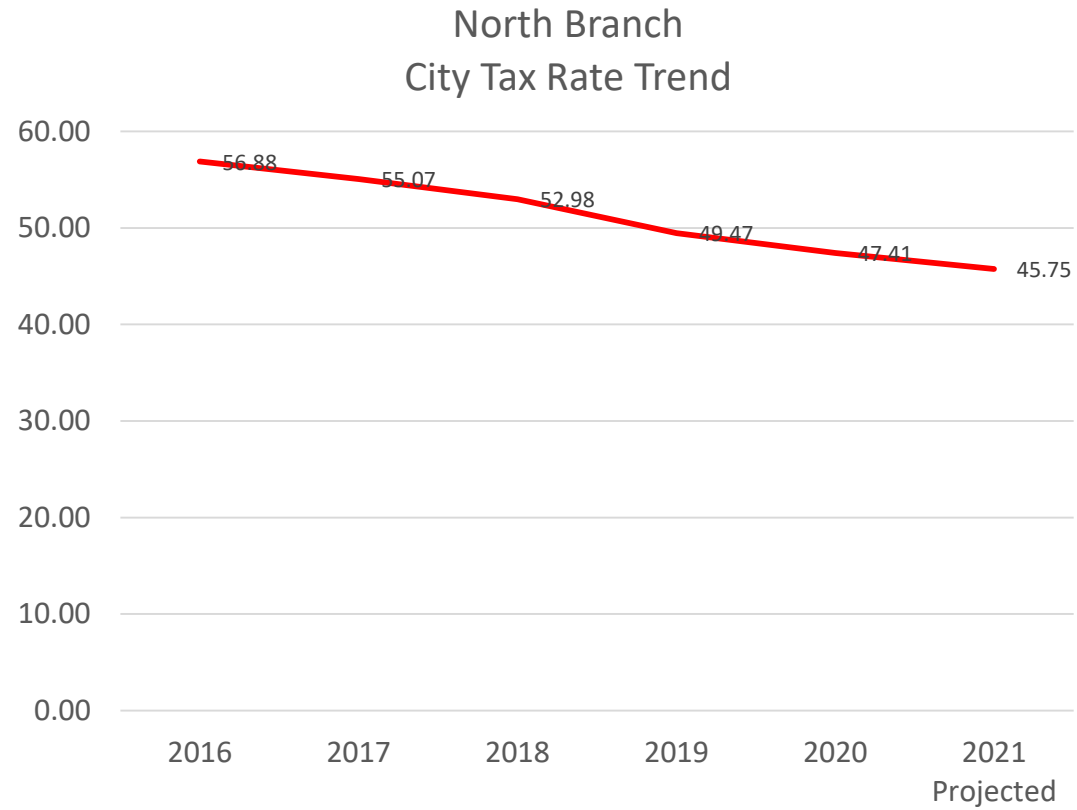
City Utility Funds

- Approximately, \$3 monthly decrease in City Sewer
- Approximately, \$1 monthly increase in City Storm Sewer
- Approximately, \$24 annual decrease in City Utility Fees for residential user

Monthly City Utility Fee Savings

SEWER					
Basic Service Charge				\$ 15.80	\$ 14.50
Sewer	40000	40500	5.00	\$ 50.50	\$ 49.00
SUBTOTAL				\$ 66.30	\$ 63.50
Storm Sewer				\$ 5.15	\$ 6.23

City Tax Rate Trend

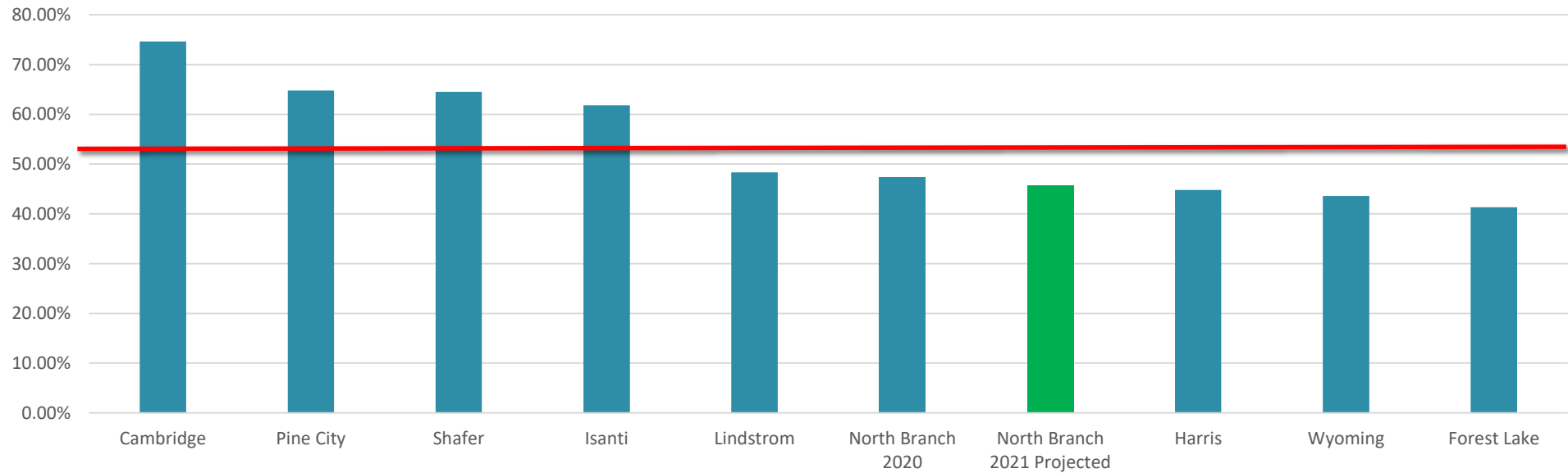


City Levy/City Tax Rate Trend

	City Levy	% Change	City Tax Rate	% Change
2016	4,258,910	4.01%	56.88	-1.74%
2017	4,377,497	2.78%	55.07	-3.18%
2018	4,579,780	4.62%	52.98	-3.79%
2019	4,711,175	2.88%	49.47	-6.63%
2020	4,852,661	2.99%	47.41	-4.16%
2021	4,947,604	1.96%	45.75	-3.50%

City Tax Rate Comparison

2020 City Tax Rates



City Impact on Property Taxes

How Property Taxes Work

Property Value * Tax Rate = Tax \$\$\$

City's Portion of Property Tax Bill

Median Value Home (\$225,000)

GF/Debt Levy \$17

EDA/HRA Levy \$10

Fire Hall Levy \$6

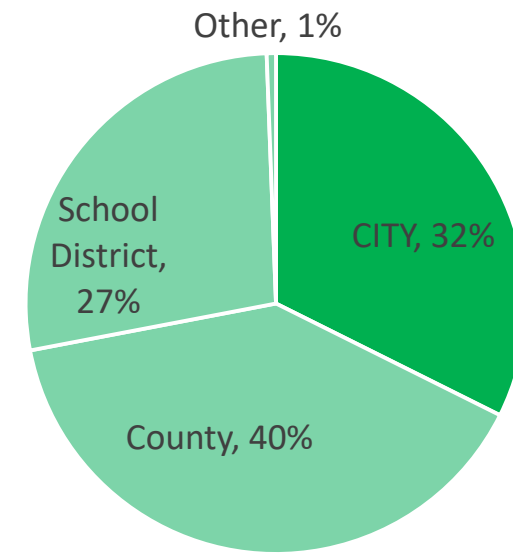
Annual Increase \$33

2021 Property Taxes

- Reminder, City is less than **1/3** of total property tax bill.
 - County and School District make up remaining 2/3 of total property tax bill.

Where Does Each \$1 of Your Property Taxes Go?

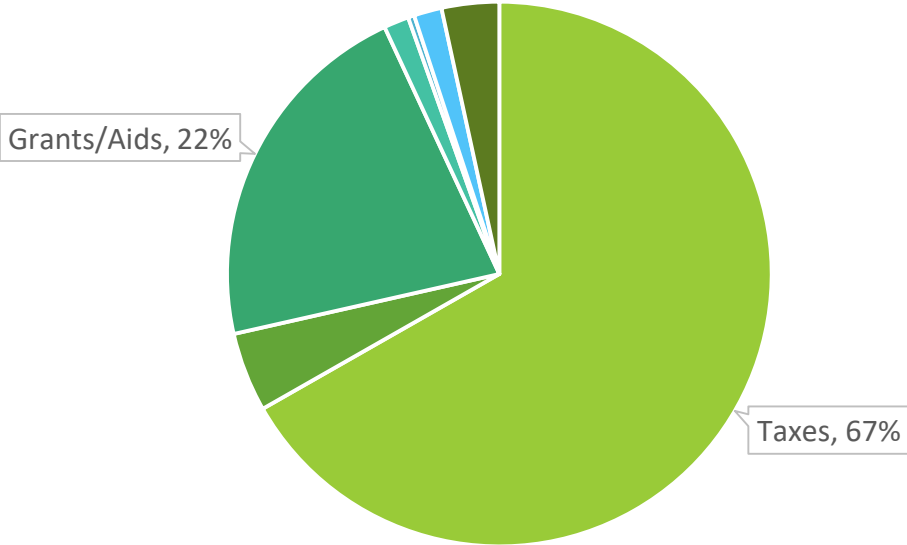
6. County - CHISAGO COUNTY	A. Chisago County	\$1,087.52	\$1,129.02
	B. Lake Improvement	\$0.00	\$0.00
7. City or Town - NORTH BRANCH		\$870.02	\$895.75
8. State General Tax		\$0.00	\$0.00
9. School District - SCHOOL DISTRICT 138	A. Voter approved levies	\$414.22	\$419.09
	B. Other local levies	\$352.44	\$386.28
10. Special Taxing Districts	A. Comfort/Forest Lakes Watershed	\$0.00	\$0.00
	B. County HRA	\$13.73	\$13.49
	C. ECRDC	\$3.41	\$3.52
	D. Tax Increment	\$0.00	\$0.00
11. Non-school voter approved referenda levies		\$22.68	\$26.85
12. Total property tax before special assessments		\$2,764.00	\$2,874.00



■ City ■ County ■ School District ■ Other

2021 Revenue – General Fund

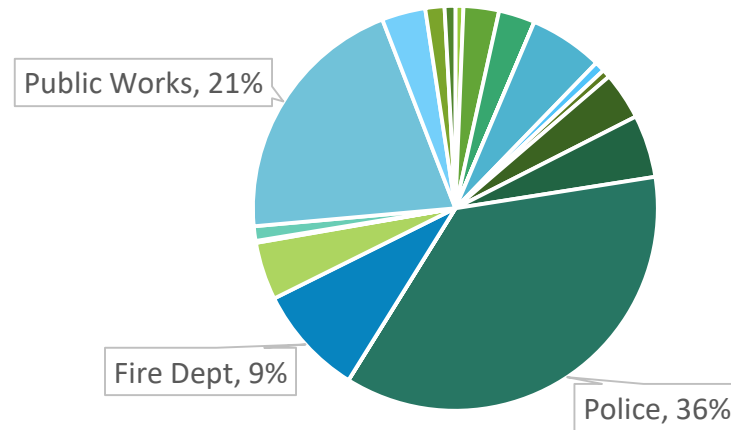
2021 GF Revenue Budget



- Taxes
- Licenses/Permits
- Grants/Aids
- Other Gen Govt Charges
- Fines/Fees
- Interest/Reimbursements
- Transfers

2021 General Fund Budget

2021 GF Expenditure Budget



- Council
- City Administrator
- City Clerk
- Elections
- Financial Admin
- City Attorney
- City Engineer
- Planning & Zoning
- Govt Bldgs/Plant
- Police
- Canine Unit
- Fire Dept
- Bldg Inspection
- Civil Defense
- Animal Control
- Other Protect-St Lgts
- Public Works
- Culture & Rec
- Libraries
- Other Exp-General

Key Points to Consider

- State of Minnesota sets the property tax formula, process and timelines
- Assessment process is independent of the levy/budget-setting process
- Your situation may be different than your neighbors
- Property taxes can vary from year to year for many reasons

Why Your Property Tax Bill Varies from Year to Year

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

Think Your Property Value Is Too High?

- For 2021, the only appeal method is through MN Tax Court:
 - <https://mn.gov/tax-court/>
 - 651-539-3260
- For Taxes Payable 2022:
 - Contact the Chisago County Assessor's Office at 651-213-8550, be prepared to schedule an onsite visit at your home
 - If you still disagree with your property's value, you may appear before the local Board of Appeal and Equalization in the Spring
 - You must appeal to the local board before appealing to the County Board of Appeal and Equalization

Summary

- ✓ Levy increase of 1.96% results in approximately \$33 more annually in City taxes for median value home (\$225,000)
- ✓ Sewer decrease and Storm Sewer increase results in approximately \$24 less annually in City utility fees for residential user.
- ✓ Helps to ensure we're able to offer the highest level of service at the lowest possible cost to residents

Questions?

Thank you!
