

BEMIDJI CITY COUNCIL

Work Session Agenda

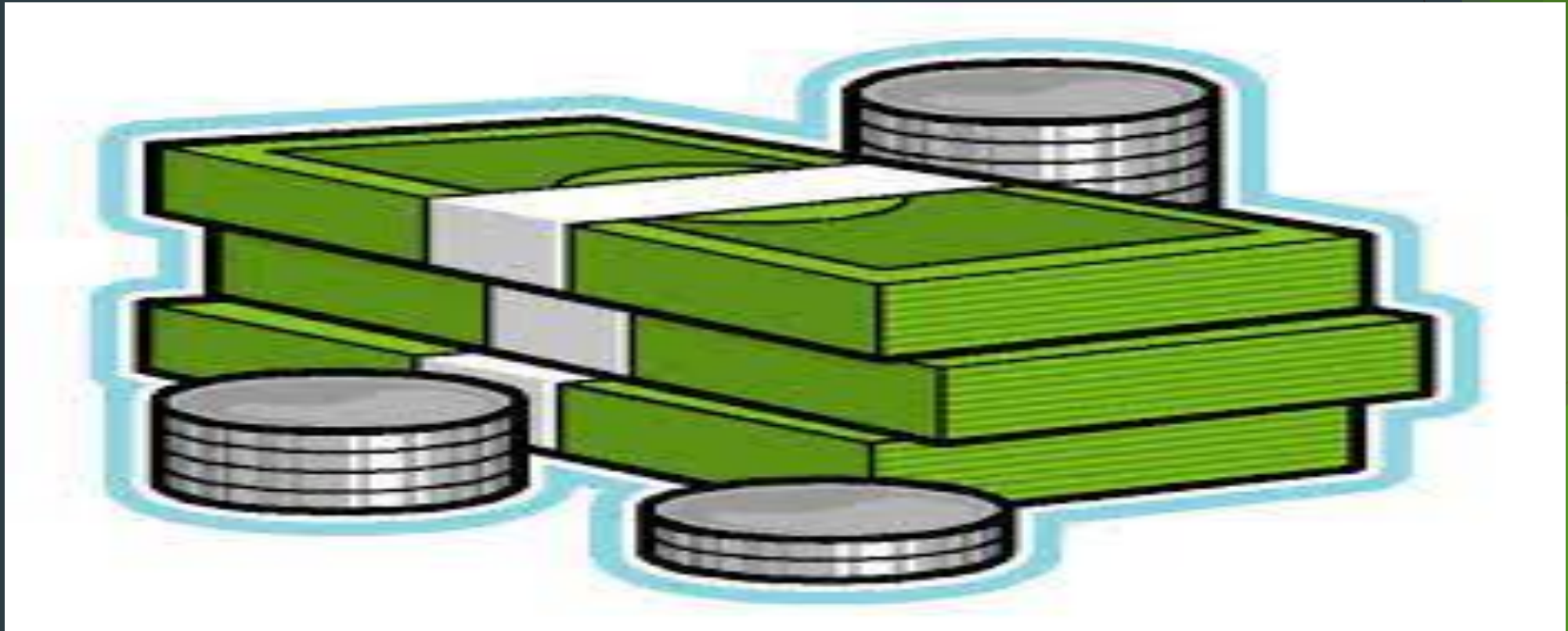
Monday, August 14, 2023

**City Hall
317 4th Street NW
5:30 P.M.**



1. CALL TO ORDER / ROLL CALL
2. 2024 FINANCIAL MANAGEMENT PLAN (FMP)
3. ADJOURN

2024 Second Budget Discussion



Agenda

- ▶ Continue budget discussion
- ▶ Tax information
- ▶ Council discussion and next steps

Revenue Proposed Changes

▶ Various line items - (see below)	\$203,000
▶ Rural Fire Contribution (new firefighters)	\$61,500
▶ Reduced revenue sharing with Northern Twnshp	\$ 28,000
▶ LGA Increase	\$333,097
▶ Public Safety Funds - (\$662K one time)	<u>\$75,000</u>
▶ TOTAL INCREASE	\$700,597

▶ Cable/Franchise Fees	\$103,000
▶ Engineering Fees	\$ 80,000
▶ Police State Aid	\$ 15,000
▶ Parkland Rental	\$ 15,000
▶ Other	<u>\$(10,000)</u>
▶ Total	\$203,000

Expense Proposed Changes

- ▶ Required Personnel Costs - (Union contracts) \$589,000
 - ▶ Cost of living/step increases
 - ▶ Payroll taxes/retirement
 - ▶ Fringe Benefits
 - ▶ Workers Compensation premiums

- ▶ Job Study impacts from 2023 \$474,000

Expense Proposed Changes

▶ Staffing changes

▶ Drug Task Force Officer (7/1 hire)	\$ 49,000
▶ Parks & Recreation (outreach coordinator)	\$ 45,000
▶ Parks & Recreation (maintenance 1)	\$ 45,000
▶ Firefighters	\$ 150,000
▶ Legal Assistant	\$ 87,000
▶ Remove Asst City Manager	<u>\$(130,000)</u>
▶ Total Staffing changes	\$246,000

Expense Proposed Changes

► Operations

► Law Enforcement Center Lease	\$(200,000)
► Sanford Center deficit	\$(188,000)
► Increased Equipment costs	\$ 260,000
► Law Enforcement Dispatch services	\$ 175,000
► JPB Dissolution - increased City cost	\$ 200,000
► Law Enforcement Center Maint	\$ 100,000
► Increased City Hall/PW Bldg costs	\$ 42,000
► County IT/Assessing/Police IT	\$ 20,000
► Update City pay plan for Union Negotiations	\$ 20,000
► City contribution to KRL system	\$ 4,050
► PW Bond Payment	<u>\$ 5,000</u>
► Total	\$ 438,050

Recap on Budget Change (Pay 23 to 24)

▶ Revenue Increases	\$700,597
▶ Expenses	
▶ Required Personnel costs	\$589,000
▶ Job Study impacts from 2023	\$474,000
▶ Staffing changes	\$246,000
▶ Operations	<u>\$438,050</u>
▶ Shortfall	\$ 1,046,453
▶ Required Levy increase	13.96%

Items NOT included in proposed levy discussed in May

- ▶ Canine unit Use grant funds
- ▶ Firefighting staff Use grant funds for 2025
- ▶ Sanford Center Capital needs Any amount - levy increase
- ▶ Park Maint/Improvements Any amount - levy increase
- ▶ Street reconstruction Any amount - levy increase
- ▶ Building Maintenance Any amount - levy increase
- ▶ City code recodification \$20,000 .3% levy increase
- ▶ Seasonal wage levels \$20,000 .3% levy increase



	<u>Pay 2023</u>	<u>Pay 2024</u>	<u>Increase</u>
Levy	7,493,972	8,540,425	14%
Tax			
Capacity	15,973,378	17,320,973	8.4%
Tax Rate	46.9%	49.3%	5.1%
Market			
Value	2,050,218,400	2,159,745,000	5.3%

Historical Tax Information

CITY OF BEMIDJI HISTORICAL INFORMATION

Year	LGA Received	Property Tax Levy Amount	Levy % Increase	Tax Rates					Taxable Property in \$ millions	% Increase	General Fund Budget			FTE's
				City	County	School	Other	Total			Total	Operating	Capital	
2000	2,533,007	1,247,545	7.8%	25.56	71.49	64.64	0.39	162.08	276	5%	5,827,187	5,219,787	607,400	100.0
2001	2,638,800	1,683,778	35.0%	32.54	73.78	65.11	0.39	171.99	291	5%	6,321,523	6,311,523	10,000	100.0
2002	3,820,026	1,166,122	-30.7%	28.95	92.59	34.54	0.55	156.64	316	9%	6,844,853	6,522,853	322,000	95.9
2003	3,446,404	1,427,941	22.5%	32.11	89.34	34.94	0.51	156.91	354	12%	6,802,738	6,559,238	243,500	96.4
2004	3,243,836	1,734,820	21.5%	34.71	81.71	32.04	0.47	148.92	419	18%	7,123,118	6,464,618	658,500	89.8
2005	3,301,787	2,058,633	18.7%	36.97	74.79	30.22	0.42	142.39	462	10%	7,046,351	6,769,351	277,000	99.0
2006	3,507,656	2,160,313	4.9%	34.49	67.43	27.93	0.38	130.23	533	15%	7,196,369	6,896,369	300,000	100.5
2007	3,327,034	2,589,821	19.9%	34.14	59.73	24.99	0.33	119.19	625	17%	7,794,310	7,379,310	415,000	100.3
2008	2,826,755	2,846,213	9.9%	35.99	56.96	23.07	0.32	116.34	645	3%	8,108,954	7,674,954	434,000	93.7
2009	3,069,129	3,074,384	8.0%	35.34	54.79	23.80	0.30	114.23	690	7%	8,774,931	8,463,931	311,000	90.5
2010	2,906,194	3,687,384	19.9%	35.89	55.07	21.50	0.30	112.75	707	2%	8,976,561	8,511,561	465,000	88.4
2011	2,906,194	3,798,766	3.0%	42.36	52.64	20.99	1.72	117.71	700	-1%	8,995,078	8,462,578	532,500	86.0
2012	2,906,194	3,874,766	2.0%	45.85	55.69	21.24	1.51	124.29	704	1%	9,584,898	9,024,898	560,000	89.4
2013	2,906,194	4,176,998	7.8%	48.78	55.72	21.88	1.71	128.09	683	-3%	9,946,485	9,341,225	605,260	91.4
2014	3,211,280	4,169,936	-0.2%	47.44	55.24	21.12	1.74	125.54	649	-5%	10,218,521	9,598,731	619,790	92.5
2015	3,211,885	4,530,636	8.7%	49.56	57.70	19.72	1.89	128.87	705	9%	10,684,857	9,840,657	844,200	96.0
2016	3,222,583	4,826,915	6.5%	51.11	59.64	19.57	1.91	132.23	723	3%	11,958,494	10,119,694	1,838,800	96.0
2017	3,222,583	5,379,747	11.5%	53.03	59.98	20.55	1.81	135.37	793	10%	11,209,720	10,558,720	651,000	99.0
2018	3,343,186	5,752,739	6.9%	52.22	59.29	19.12	1.75	132.38	848	7%	11,776,790	11,094,290	682,500	106.0
2019	3,349,489	5,867,794	2.0%	51.25	61.75	18.49	1.87	133.36	874	3.1%	12,478,132	11,259,632	1,218,500	107.5
2020	3,511,049	6,120,321	4.3%	50.31	62.57	16.63	1.69	131.20	929	6.3%	12,769,097	11,931,097	838,000	113.5
2021	3,608,449	6,517,521	6.5%	50.31	62.14	16.26	1.41	130.12	974	4.8%	13,670,268	12,667,268	1,003,000	115.6
2022	3,667,485	7,136,686	9.5%	52.13	61.30	14.38	1.00	128.81	1074	10.3%	14,539,262	13,646,262	893,000	122.2
2023	3,694,035	7,493,972	5.0%	44.52	52.42	13.10	0.81	110.85	1337	24.5%	15,033,962	14,064,962	969,000	129.0

Optional Revisions and Resident Impact \$150,000 Home

Pay 2024 Levy	% Increase	\$ to Adjust	Tax Rate	Estimated Tax \$150,000 Home	Estimated Change on \$150,000 Home
7,868,671	5.0%	(610,254)	45.4%	\$574	\$(19)
7,943,610	6.0%	(535,315)	45.9%	\$579	\$(13)
8,018,550	7.0%	(460,375)	46.3%	\$585	\$(8)
8,093,490	8.0%	(385,435)	46.7%	\$590	\$(2)
8,168,429	9.0%	(310,496)	47.2%	\$596	\$3
8,243,369	10.0%	(235,556)	47.6%	\$601	\$9
8,318,309	11.0%	(160,616)	48.0%	\$607	\$14
8,393,249	12.0%	(85,676)	48.5%	\$612	\$19
8,478,925	13.1%	-	49.0%	\$618	\$26

Optional Revisions and Resident Impact \$300,000 Home

Pay 2024 Levy	% Increase	\$ to Adjust	Tax Rate	Estimated Tax	Estimated Change on
				\$300,000 Home	\$300,000 Home
7,868,671	5.0%	(671,754)	45.4%	\$1,317	\$(43)
7,943,610	6.0%	(596,815)	45.9%	\$1,329	\$(31)
8,018,550	7.0%	(521,875)	46.3%	\$1,342	\$(18)
8,093,490	8.0%	(446,935)	46.7%	\$1,354	\$(5)
8,168,429	9.0%	(371,996)	47.2%	\$1,367	\$7
8,243,369	10.0%	(297,056)	47.6%	\$1,379	\$20
8,318,309	11.0%	(222,116)	48.0%	\$1,392	\$32
8,393,249	12.0%	(147,176)	48.5%	\$1,404	\$45
8,540,425	14.0%	-	49.3%	\$1,429	\$69

Council Discussion and Next Steps

- ▶ Preliminary levy is ceiling (can come down between now and December)
- ▶ Approve levy and certify to County by September 30
- ▶ Continued budget discussion and modifications prior to December
- ▶ Public Input Meeting in December, with final levy and budget approval