

Bemidji, Minnesota

July 2021

2020 Summary Financial Report To The Community

Quick Facts

Demographics

Population	15,452
Growth since 2010	8.3%
Persons under 18 years	19.5%
Persons 65 and over	16.7%
Median age	28.2%
Females	51.5%
Owner occupied housing	43.5%
Total Households	6,139
Persons in poverty	31.3%
Median household income	\$ 33,677
Median home value	\$ 139,900

Major Employers

Full time Employees

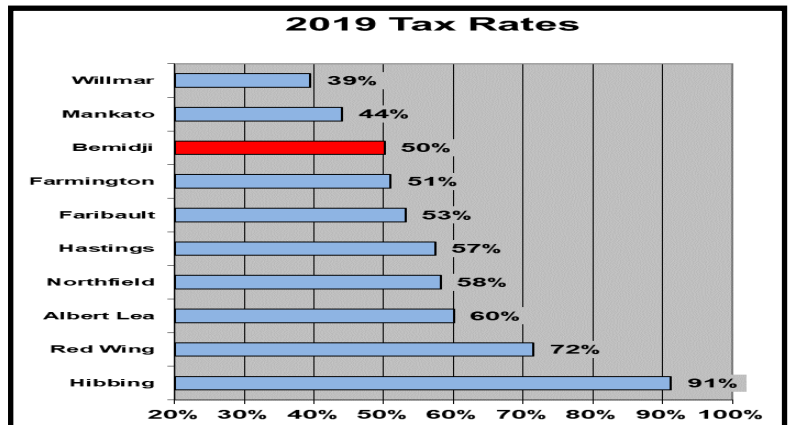
Sanford Health	2,205
Bemidji Public Schools	975
Bemidji State University	550
Beltrami County	350

Making Cents

The City of Bemidji presents its 2020 Summary Financial Report. The purpose of this report is to inform the community of the City's financial activity in an easy-to-read format. These highlights are based, in part, upon the City's Audit which is a more inclusive document.

Tax rates are often used to compare cities. The rate is calculated by a dividing the property tax levy by a function of taxable property value. In comparison with nine similar regional center cities, Bemidji tax rates were in the bottom one-third. The average home value in Bemidji is \$139,000 and pays \$575 annually in City property taxes.

How Bemidji Ranks Against Similar Cities



Dividing Up Your Tax Dollar

Your tax dollar is divided into several governmental entities.



Bemidji collects 39 cents of every tax dollar. The remaining portions are divided among Beltrami County (48 cents), School District (12 cents), other agencies (1 cent).

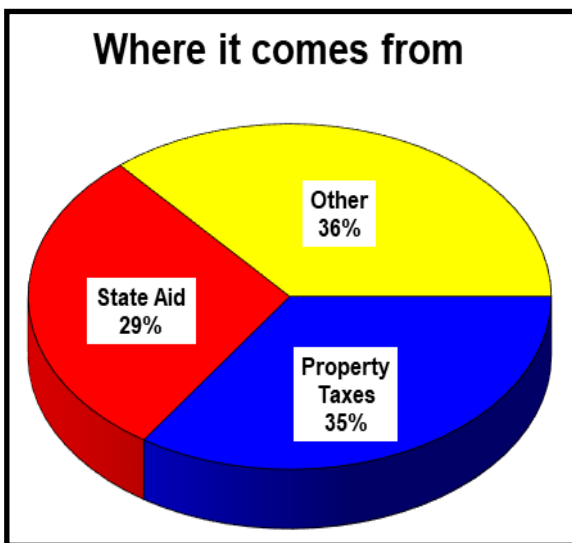
Bemidji Fund Types

In order for Bemidji to manage City finances smoothly, it divides activities into several different funds.

- The **General Fund** accounts for revenues and expenses that provide for *basic operations of the City*, such as police, fire, streets, parks and general government services.
- **Special Revenue Funds** account for activities restricted to *specific purposes* such as grants, building/rental activities, Arena and construction projects.
- **Debt Service Funds** track revenue and expenses related to *issuance and repayment of long term debt*.
- **Enterprise Funds** account for *activities that operate like businesses* which are paid for by user fees. Activities include water, sanitary sewer, storm water, refuse, liquor and The Sanford Center.
- **Internal Service Fund** accumulates and distributes certain administrative costs to various funds.

General Fund Revenue

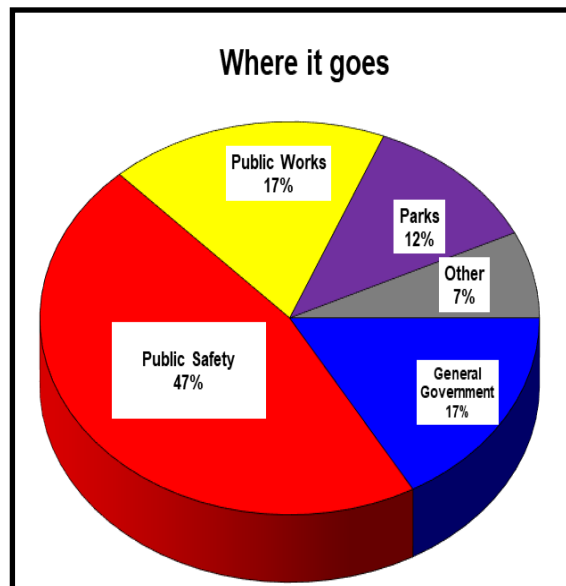
The City's General Fund is the largest and most vital. It accounts for expenditures such as police, fire protection, streets and parks maintenance while at the same time supplementing portions of other funds. The General Fund relies on the inflow of cash, shown as revenues and



subsequently the outflow listed as expenditures. Primary revenues for the General Fund are property taxes and State Aid known as Local Government Aid (LGA). For 2020, revenue was \$14 million, \$1.2 million (9.4%) higher than the previous year. This was due to one time CARES Act funds received in 2020 classified under other income. General Fund **cash** balances are \$8.4 million or 61% of 2021 expenditures.

	2020	2019
Property Taxes	\$4,813,244	\$4,621,258
State Aid (LGA)	\$4,103,606	\$3,930,874
Franchise & Cable Fees	\$1,216,653	\$1,289,933
Fire Revenue	\$526,361	\$490,303
Transfers	\$1,824,851	\$2,007,880
Other	\$1,502,720	\$449,631
Total Revenues	\$13,987,435	\$12,789,879

General Fund Expenditures



The City's 2020 expenditures were \$12.9 million which was \$5,000 under budget. General Fund expenditures decreased \$290,000 (2%), due primarily to lower capital expenditures. The chart highlights amounts spent on each category. The 2020 City audit includes investment activities and adjustments not reflected in this discussion.

	2020	2019
General Government	\$2,165,206	\$1,969,898
Public Safety	\$5,965,317	\$6,214,202
Public Works	\$2,333,413	\$2,249,733
Parks and Recreation	\$1,509,380	\$1,715,372
The Sanford Center Operational Subsidy	\$506,655	\$450,000
Other	\$414,455	\$585,323
Total Expenditures	\$12,894,426	\$13,184,528

GENERAL FUND ACTIVITIES

General Government: Provides overall direction for City as determined by City Council including administration, finance, legal, technology, GIS, elections, assessing and joint planning.

Public Safety: Includes police and fire departments providing police protection, animal control, fire protection/prevention, technical rescue and emergency services including commercial building fire inspections.

Public Works: Manages City infrastructure such as streets, water, sewer, and surface water management.

Parks and Recreation: Responsible to provide recreation program activities, maintain and develop City park and trail systems.

Other: Includes Economic Development services, Public Transportation, contingencies and transfers.

Bemidji City Government Profile

Geographical		General Government	
Acres - Land	11,206	Business licenses issued	323
Square miles - land	17.5	Vendor checks issued	4,000
Miles from Mpls/St Paul	240	Cash receipts processed	36,000
Police		Library	
Calls for service	24,636	Visitors	25,500
Crime rate per 100,000	18,391	Circulation	72,000
Clearance rate	58%	Program Participants	3,840
# of licensed officers	32	Building and Rental	
Fire		Permits Issued	624
Calls for service	968	Rental Permits	1,133
Fire calls	87	Construction in millions	46
# of fire stations	4	Water (million gallons)	
# of trucks/engines	16	# of gallons pumped	475
ISO classification	3/10	# of gallons sold	400
Public Works		Water main breaks repaired	3
Miles of streets	92	Daily average gallons	1.3
# of plowing events	25	# of customers	4,324
Tons of sand/salt used	1,100	Sanitary Sewer (million gallons)	
City metal street lights	1,036	# of treatment plants	1
Parks and Recreation		Utility locates completed	1,463
Acres maintained	245	Lift stations refurbished	2
High use # of parks	12	Daily avg gallons	1.3
Adult participants	325	Annual inflow gallons	328
Ice hours rented	800	Gallons of sludge applied	2.0
Public skaters	144	Storm Water	
Airport - 4th busiest in MN		Street lane miles swept	1,600
Scheduled daily flights	2	Yards of material removed	200
Annual passenger count	33,000	Residential Refuse	
Economic Impact (2019)	\$58 million	# of customers	2,530

LOCAL .5% SALES TAX		
Year	Amount	Change
2010	1,846,167	4.7%
2011	1,916,248	3.8%
2012	1,955,241	2.0%
2013	2,176,211	11.3%
2014	2,200,823	1.1%
2015	2,299,338	4.5%
2016	2,390,353	4.0%
2017	2,393,528	0.1%
2018	2,490,915	4.1%
2019	2,590,359	4.0%
2020	2,688,237	3.8%

2020 Accomplishments
<ul style="list-style-type: none"> ◆ Tax base increased \$45 million or 5% ◆ Completed Phase III of Annexation agreement ◆ Estimated property value saved from fire \$4.7 million ◆ Issued \$46 million in building permits including 4 commercial structures, 11 new residential homes and 1 new governmental structure ◆ Received \$1.2 million in CARES Act funding for COVID impacts ◆ Capital projects of \$8.8 million completed ◆ Equipment purchased of \$1.5 million ◆ Water treatment plant nears completion and began operations in 2021 to successfully remove PFAS contaminants in city water supply ◆ Sanford Center hosted over 43,000 attendees at various events with estimated \$7 million economic impact

Future Challenges

Bemidji is a regional economic center consisting of a large retail base, a state university, medical services featuring Sanford Health and many other governmental agencies. These attributes contribute to a 44% level of tax exempt property. Paying for and maintaining regional City assets such as streets, The Sanford Center and parks with property taxes places a heavy toll on local taxpayers. A special use tax capturing visitor dollars who shop and recreate here would help reduce the property tax burden.

Water conditions continue to be monitored as the \$8 million short term water treatment plant completes construction in 2021 to remove PFC contaminants. In addition, waste water treatment plant expansion is necessary and additional treatment of ammonia and nitrates may be required in the future. The City received state bond funding of \$10.2 million to assist in paying for the cost of Phase II of the water treatment plant.

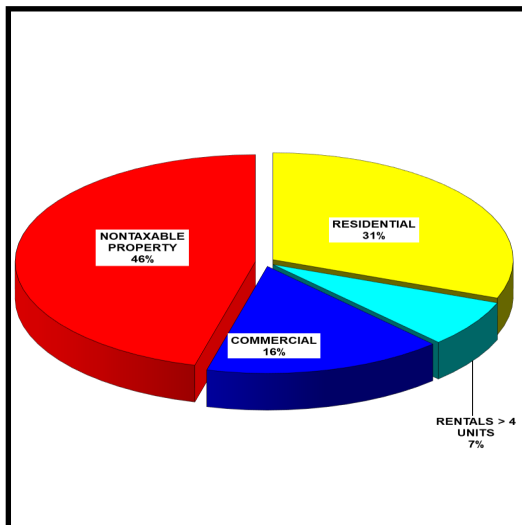


About this Report

The City of Bemidji reports more detailed financial results in the annual audit. This report is an unaudited summary.

For a complete review of the City's 2020 financial position, consult the audit available on the City's website at www.ci.bemidji.mn.us, or from the Finance Department at 218-759-3568.

Property Classification



The total value of City property is \$1.8 billion, of which 46% is non-taxable, one of the highest %'s in the state. Bemidji State University, school systems, non-profit medical facilities in addition to many federal and state government agencies contribute to this level of tax-exempt property. While these entities provide economic impact and employment opportunities, they present challenges to generating City property tax revenue. In addition, a significant portion of residential housing stock is rental property, impacting neighborhood dynamics. Business property pays 50% of City property taxes followed 40% by residential property.

Enterprise Funds

These funds consist of business-type services such as water, sewer, storm water, refuse, (utilities) liquor and The Sanford Center. The City owns and operates two liquor stores generating operating profits of \$942,000. The new, larger First City store and COVID impacts helped increase sales by \$1.9 million or 29%. These increased sales are projected to repay the \$3.5 million in debt issued to build the store. Profits of \$463,000 were used to reduce property taxes, amounting to a 7.5% property tax subsidy. Remaining reserves or profits are used for community projects such as parks, street improvements and Veteran's Home contribution.



The Sanford Center and South Shore

The Sanford Center (SC) is a multi-purpose 185,000 square foot, 4,700 seat regional event center located on the south shore of Lake Bemidji which opened in fall 2010. During 2020, this facility was limited due to COVID and only hosted 43,000 visitors including hockey games, concerts, banquets, conventions and weddings. A detailed annual report for this facility and its operations can be found on the City website at www.ci.bemidji.mn.us.

Statistical Information

- Annual budgeted deficit \$450,000, capital replacement \$230,000 and bond subsidy for south shore land at \$323,677 paid by property taxes (see page 3)
- Estimated annual economic impact to community of \$7 million