



# 2025 Preliminary Tax Levy and Budget

September 9, 2024

Kari Carlson, Deputy Finance Officer



# OUR MISSION

**OUR MISSION IS TO CULTIVATE AN ENDURING AND REMARKABLE COMMUNITY WHERE PEOPLE WANT TO BE.**

## Strategic Priorities



**A connected, welcoming community**

1. More connected neighbors
2. More welcomed by city
3. More valued community



**A healthy community**

1. Improved environment
2. Improved human health
3. Improved safety/security



**A community with equitable economic growth**

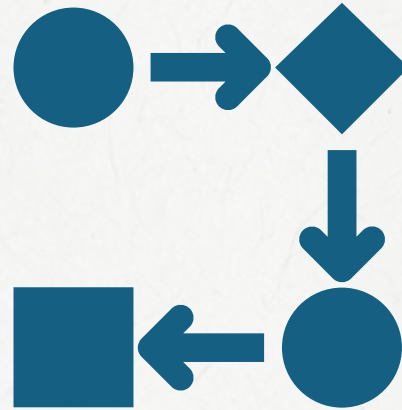
1. More equitably distributed
2. Expanded business diversity
3. More equitable job growth





1. Budget Process
2. Public Engagement
3. Core Components of the Property Tax Levy Calculation
4. Approaches to Lower the Levy
5. Impacts of the Proposed Preliminary Tax Levy
6. General Fund Budget
7. Budget Calendar

# Budget Process



## City of Bloomington Budget Process

- Staff analyze service delivery and determine the cost of those services
- Departments submit requests
- City Manager reviews requests to ensure alignment with strategic plan and financial constraints
- Budget request reflects the City's mission to **cultivate** an **enduring** and **remarkable** community where people want to be.





# Public Engagement

Let's Talk Bloomington and Budget Engagement Tables at Events  
June – October 2024





## Budget Engagement Calendar



Juneteenth  
Celebration

Wednesday  
Farmers  
Market

Learning  
Linkup

On the One  
Music  
Festival

June 15

July 17

August 17

August 17



Saturday  
Farmers  
Market

Pride  
Festival

Fire  
Department  
Open House

September 14

September 22

October 12

# Budget Engagement

## CONNECTED, WELCOMING COMMUNITY

- People can connect with neighbors
- People are welcomed by the city into the community
- Residents are valued by the community



**262 chips**

**15%**

## HEALTHY COMMUNITY

- Improved environmental health
- Improved human health

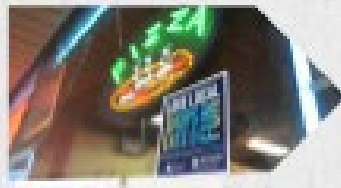
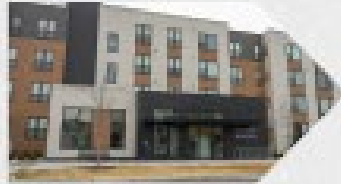


**307 chips**

**18%**

## EQUITABLE ECONOMIC GROWTH

- Affordable housing
- Economic growth is more equitably distributed
- Expanded diversity in business ownership
- Equitable job growth for workers



**329 chips**

**19%**

## PUBLIC SAFETY

- Increased safety and security
- Police
- Fire
- Dispatch
- Legal



**275 chips**

**16%**

## FACILITIES AND INFRASTRUCTURE

- City facilities
- Roads and bridges
- Sewer and water



**236 chips**

**13%**

## PARKS, ARTS, RECREATION AND NATURAL RESOURCES

- Playgrounds
- Trails
- Recreation programs
- Arts programs
- Protection of natural resources



**329 chips**

**19%**



## Let's Talk Bloomington Survey Results to Date

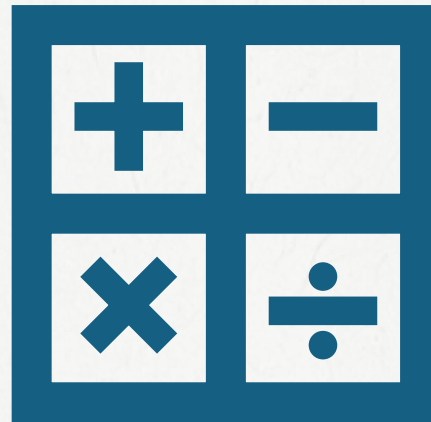


Voice your opinion at [Let's Talk Bloomington](#), the City's website for community conversations.

Category	Ranking from 1 to 6 with 1 being the highest priority
Parks, Arts, and Recreation	2.57
Facilities and Infrastructure	2.71
Public Safety	3.43
Equitable Economic Growth	3.86
Healthy Community	4.00
Connected, Welcoming Community	4.43



# Core Components of Property Tax Levy





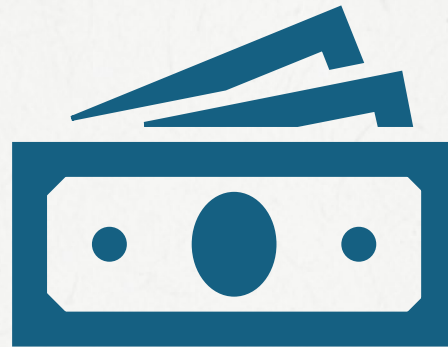
## Core Components of the Property Tax Levy Calculation

- Amount of money required to fund the City's budgeted needs after factoring in other sources of revenue.
- Spread across all taxable properties.
- Based on type of property and assessed property value.



# Approaches to Lower the Levy

Reducing from original 15.94% increase down to 11.50% increase





## Approaches to Lower the Original Budget Request by \$3.5 million

Levy Reduction Option	\$ amount
Increase revenues (P&R Program Fees and ROW Permits)	\$630K
Adjusting Firefighter Additional Staffing Requests (i.e., 8 to 6)	\$565K
Transfer from Fire Pension Fund	\$200K
Reduce Fire Equipment Request (add back if get SAFER grant)	\$149K
Move strategic initiatives and capital projects to Strategic Priorities Fund	\$559K
Move alternative transportation study out to future year and seek shared funding	\$227K
Reduce professional services	\$260K
Changes to employee benefits	\$715K
Change Forestry Levy to 2024 amount and use Strategic Priorities Fund	\$165K
Change Tax Abatement Levy to 2024 amount	\$ 50K
<b>Total reduction to levy</b>	<b>\$3.5 Million</b>

# Proposed Preliminary 2025 Tax Levy and General Fund Budget

This is the maximum amount that it can be.

\$



## Proposed Preliminary 2025 Tax Levy

	2024 Tax Levy	2025 Tax Levy	Tax Levy \$ Change	Tax Levy % Change
<b>General Revenues:</b>				
General Fund	\$69,321,549	\$77,356,251	\$8,034,702	
Communications	\$400,000	\$700,000	\$300,000	
Forestry	\$185,000	\$185,000	\$0	
Fire Pension	\$1,050,000	\$1,050,000	\$0	
Aquatics	\$500,000	\$500,000	\$0	
Art Center	\$1,000,000	\$1,500,000	\$500,000	
Golf	\$105,565	\$0	(\$105,565)	
Ice Garden	\$125,000	\$200,000	\$75,000	
Strategic Priorities	\$0	\$0	\$0	
Tax Abatement	\$400,000	\$400,000	\$0	
<b>Total General Revenues</b>	<b>\$73,087,114</b>	<b>\$81,891,251</b>	<b>\$8,804,137</b>	<b>10.94%</b>
<b>Debt Service</b>	<b>\$7,397,156</b>	<b>\$7,848,711</b>	<b>\$451,555</b>	<b>0.56%</b>
<b>Total Tax Levy</b>	<b>\$80,484,270</b>	<b>\$89,739,962</b>	<b>\$9,255,692</b>	<b>11.50%</b>

## Tax Levy Increase by Department

	\$ Change	% Change
	from 2024	from 2024
Police	\$3,818,623	4.74%
Fire	\$2,204,688	2.74%
Parks and Recreation	\$1,447,223	1.80%
Community Development	\$1,282,621	1.59%
Public Works	\$1,084,201	1.35%
Community Services	<u>-\$581,664</u>	<u>-0.72%</u>
<b>TOTAL</b>	<b>\$9,225,692</b>	<b>11.50%</b>

## Impact on median value home of \$361,300 = 9.27%

11.50% increase to the tax levy is a  
**9.27%** increase for the median value home

**\$2.53 / week**  
(\$27.35 to \$29.88 )

**\$10.99 / month**  
(\$118.50 to \$129.49)

**\$131.88 / year**  
(\$1,422.04 to \$1,553.92)



## Projected City Tax Impact – Residential Single Family

Home Value Range	Count of Houses	2024 Tax	2025 Tax	% Change	\$ Change Year	\$ Change Month
\$100K - \$150K	14	\$ 394.25	\$ 459.30	16.50%	\$ 65.05	\$ 5.42
\$150K - \$200K	67	\$ 611.27	\$ 664.88	8.77%	\$ 53.61	\$ 4.47
\$200K - \$250K	500	\$ 828.29	\$ 897.90	8.41%	\$ 69.62	\$ 5.80
\$250K - \$300K	2914	\$1,045.30	\$1,145.07	9.54%	\$ 99.77	\$ 8.31
\$300K - \$350K	5956	\$1,262.32	\$1,386.38	9.83%	\$124.06	\$10.34
<b>\$350K - \$400K (MEDIAN VALUE \$361,300)</b>	<b>4051</b>	<b>\$1,422.04</b>	<b>\$1,553.92</b>	<b>9.27%</b>	<b>\$131.88</b>	<b>\$10.99</b>
\$400K - \$500K	4557	\$1,791.88	\$1,966.79	9.76%	\$174.91	\$14.58
\$500K - \$600K	1535	\$2,239.85	\$2,513.95	12.24%	\$274.10	\$22.84
\$600K - \$800K	1264	\$2,986.47	\$3,336.46	11.72%	\$349.99	\$29.17
\$800K - \$1M	157	\$3,981.95	\$4,666.00	17.18%	\$ 684.05	\$57.00
OVER \$1 MILLION	97	\$5,226.32	\$6,310.46	20.74%	\$1,084.14	\$90.35

## Projected City Tax Impact – Commercial, Industrial, and Apartments

Property Type	Market Value	2024 Tax	2025 Tax	% Change	\$ Change Year	\$ Change Month
Auto	\$7.86 million	\$39,035	\$45,982	17.80%	\$6,947	\$579
Hotel	\$10.7 million	\$52,112	\$62,382	19.71%	\$10,270	\$856
Office	\$19.6 million	\$104,421	\$114,991	10.12%	\$10,570	\$881
Retail	\$5.2 million	\$25,958	\$30,170	16.22%	\$4,212	\$351
Restaurant	\$2.6 million	\$12,881	\$15,151	17.62%	\$2,270	\$189
Industrial	\$10.7 million	\$52,112	\$62,852	20.61%	\$6,947	\$895
Class A Apartment	\$47.9 million	\$14,932	\$16,226	7.77%	\$19,331	\$1,611
Class B Apartment	\$24.2 million	\$124,436	\$135,220	8.67%	\$10,784	\$899
Class C Apartment	\$2.9 million	\$248,872	\$268,203	8.67%	\$1,294	\$108

# 2025 Preliminary General Fund Budget Revenues

Property Tax Levy	\$77,356,251
Less Estimated Delinquencies	-1,005,631
Lodging and Admissions Tax	10,531,085
Business Licenses	2,005,500
Permits	3,964,361
Fines	425,000
Program Income	2,375,743
Intergovernmental Revenue	7,399,163
Interest	150,000
Transfers from Other Funds	5,214,451
Other	1,175,900
<b>TOTAL REVENUES</b>	<b>\$109,591,823</b>



# 2025 Preliminary General Fund Budget Expenditures

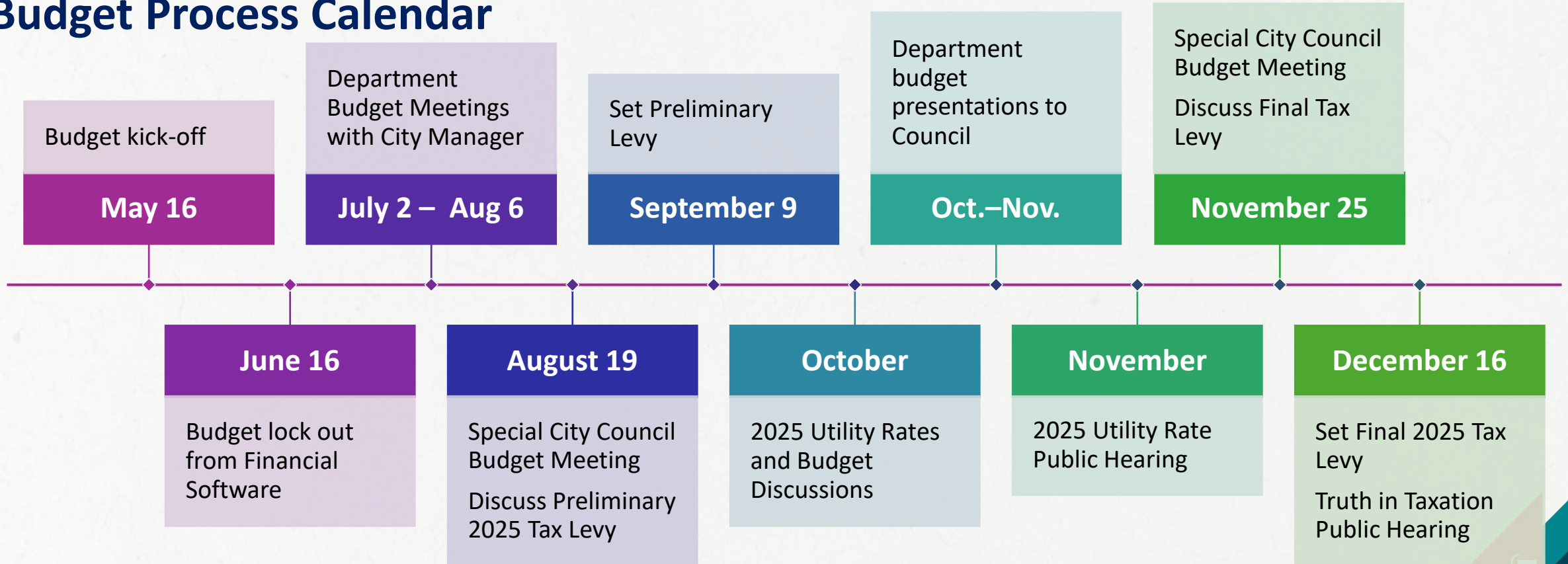
City Council	\$644,919
Administration	4,381,693
Legal	3,012,134
Finance	1,622,584
Police	37,892,892
Fire	11,625,762
Community Development	11,369,677
Community Services	9,389,039
Parks and Recreation	13,167,049
Public Works	15,482,284
Contingency / Est. Unexpended	1,003,790
<b>TOTAL Expenditures</b>	<b>\$109,591,823</b>

# Budget Calendar

May – December 2024



# Budget Process Calendar





# Detailed Budget Discussions at City Council Meetings

- September 30 – Fire, Legal, Strategic Priorities Fund
- October 14 – Utilities, Community Development
- October 21 (Study Session) Employee Benefits, Accrued Benefits, IT, Communications, Administration, Public Health, Finance
- October 28 – Parks and Recreation, Police
- November 4 (tentative, not currently scheduled)
- November 18 – Public Works, Fleet, Facilities
- November 25 (Study Session) – Final 2025 Tax Levy and Budget Discussion
- December 2



**MOVING**  
BLOOMINGTON  
**Forward**  
creating our shared future

# Discussion



CITY OF  
**BLOOMINGTON**  
MINNESOTA





# Item 4.1 Motion

## Resolution Adopting Preliminary 2025 Tax Levy

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt Resolution No. 2024-\_\_\_\_\_, a resolution establishing the Preliminary 2025 Tax Levy increase of 11.50%.







## Item 4.2 Motion

# Resolution Adopting Preliminary 2025 General Fund Budget

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt Resolution No. 2024-\_\_\_\_, establishing a Preliminary 2025 General Fund Budget utilizing the 11.50% Levy Increase.

