City of North St. Paul
City Council
Workshop Meeting Agenda

June 20, 2023
5:00 PM

The City Council Meeting will be conducted on **June 20, 2023** at 5:00 p.m. in the City Council Chambers of City Hall, located at 2400 Margaret St., North St. Paul.

The City Council will also be meeting by interactive TV under Minn. Stat. 13D.02.

The **June 20, 2023** Zoom meeting can be accessed via:
https://tinyurl.com/NSPCityCouncil
(from a PC, Mac, tablet, iPhone or Android device) or by phone at 1-929-205-6099.
Participants accessing the meeting by phone please use the following meeting ID: 84409094358

You can also watch the meeting on our YouTube channel here:
tinyurl.com/NSPYouTube

I. Call to Order

II. Roll Call
Council Member Cole
Council Member Schweer
Council Member Wong
Council Member Nordby
Mayor Monge

III. Adopt Agenda

IV. Topic(s)
A. 2024 Budget

V. Other Business

VI. Adjournment

The next regularly scheduled City Council Workshop meeting is July 18, 2023.

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Monge and City Council	June 20, 2023

Agenda Placement # IV.A

Topic(s)

Subject

2024 Budget

Background/Facts

This is the official kick-off of the 2024 budget process. In this workshop, the City Council will have the opportunity to discuss and set the 2024 Levy target for the 2024 budget.

Items for consideration will include:

- 2023 Budget and City Based Property Tax Levy
- Driving Factors for 2024
- Preliminary Valuation Changes
- HRA & EDA Property Tax levy
- Budget Calendar

Recommended Action

Staff requests the City Council set the 2024 Levy Target.

Attachments

1. 2024 LEVY SETTING 6.20.23 CC

Respectfully submitted,
Daniel Winek, Finance Director

2024 LEVY SETTING WORKSHOP

JUNE 20, 2023

City of North St. Paul

Purpose

- Provide an opportunity for the City Council to discuss and set the 2024 Levy target.
- Items for consideration:
    - Starting Point: – 2023 Budget and City Based Property Tax Levy
    - Driving Factors for 2024
    - Preliminary Valuation Changes
    - HRA & EDA Property Tax levy
    - Budget Calendar

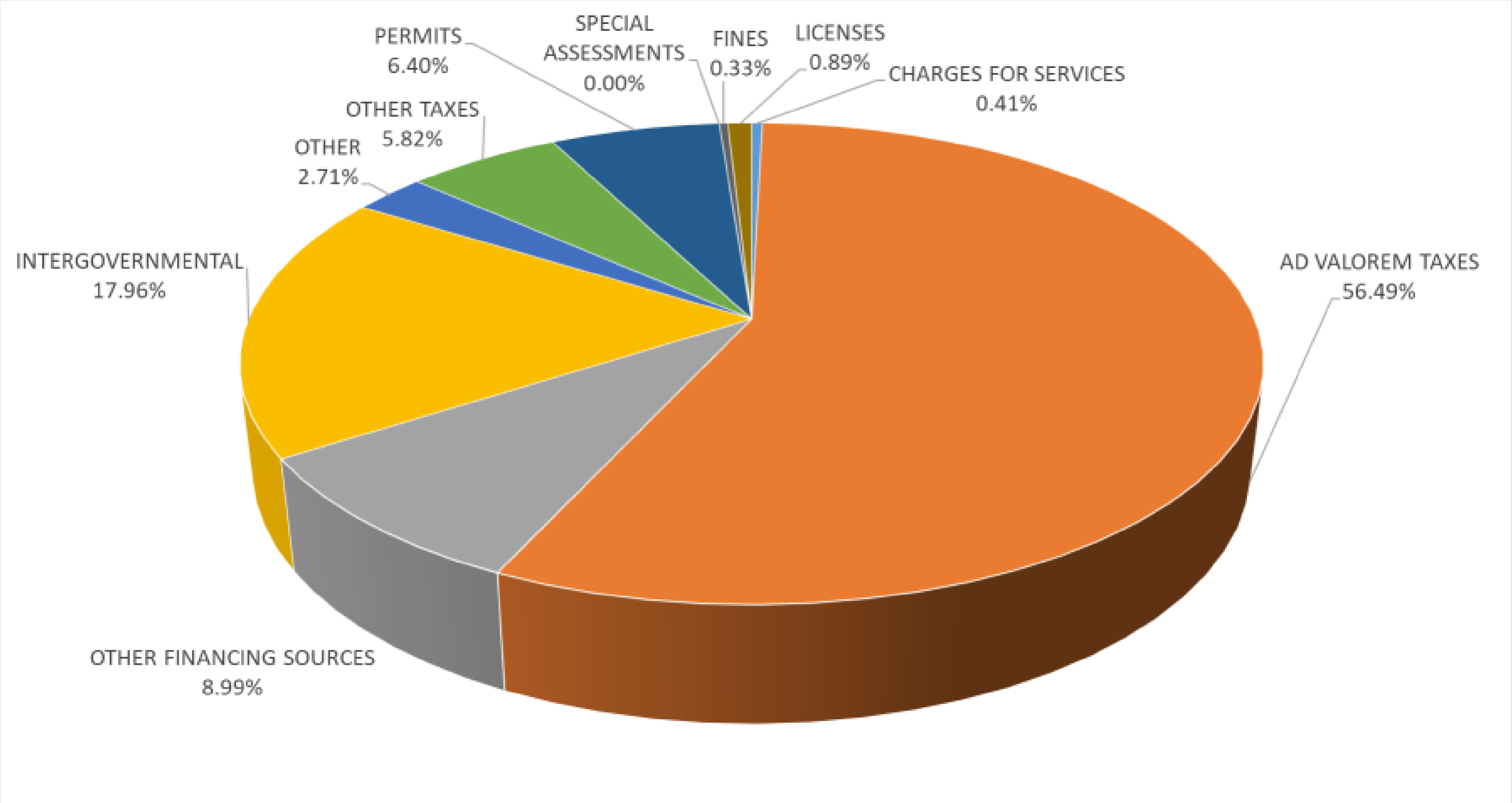
STARTING POINT: 2023 BUDGET AND CITY BASED PROPERTY TAX LEVY

General Fund Highlights

- Revenues composition:
  - Property Taxes – 56%
  - Intergovernmental – 18%
  - Other Financing Sources (Transfers) – 9%
- Expenditures composition by Category:
  - Personnel & Benefits – 63%
  - Professional Services – 28%
  - Supplies – 5%
- Expenditures composition by Department:
  - Police – 42%
  - Fire & Code Enforcement – 14%
  - Street Maintenance – 14%
- 2023 Levy Increase 12.59% (past 14 year average – 5.8%)

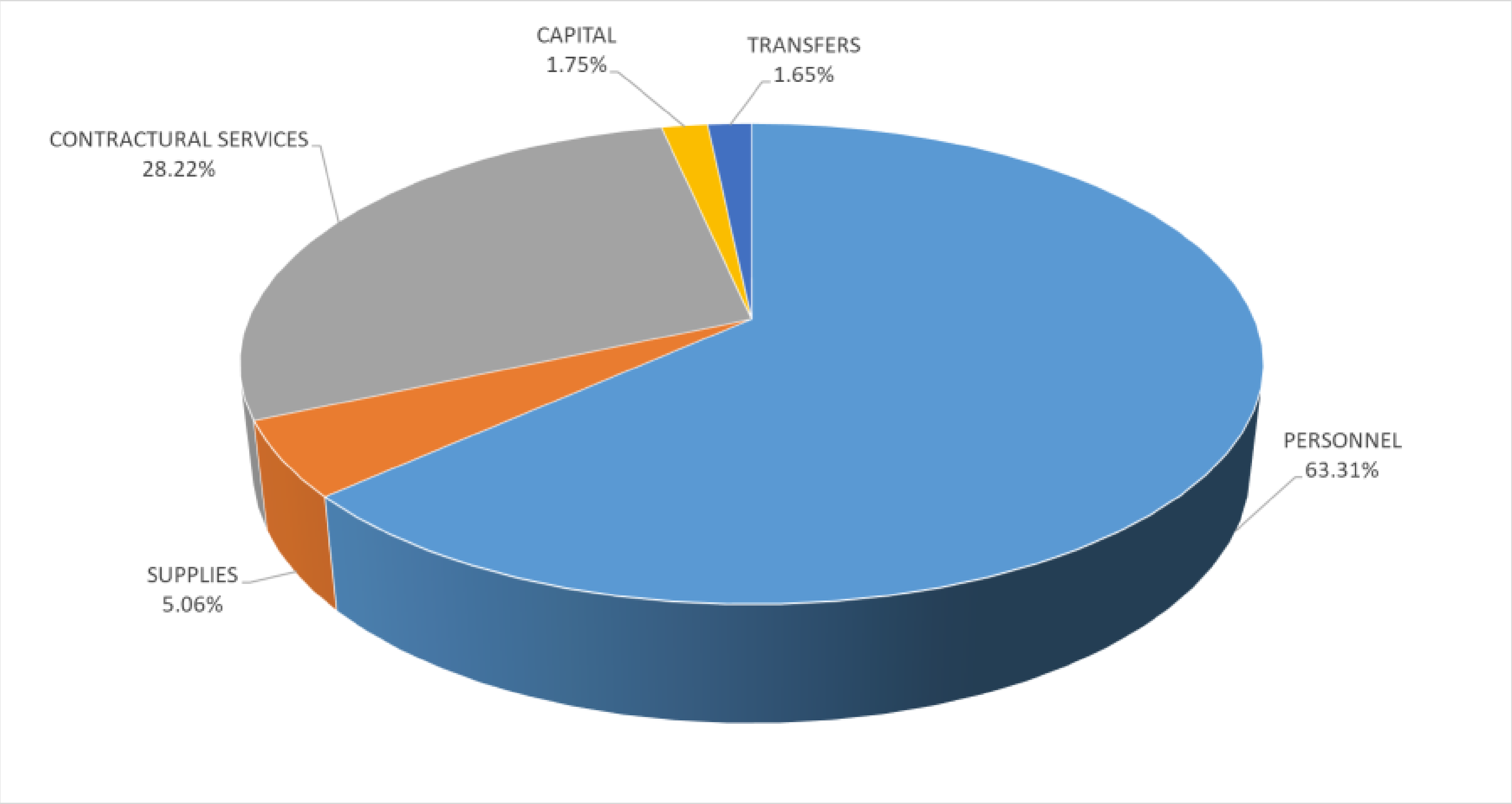
2023 General Fund Budget

- Revenue by Category



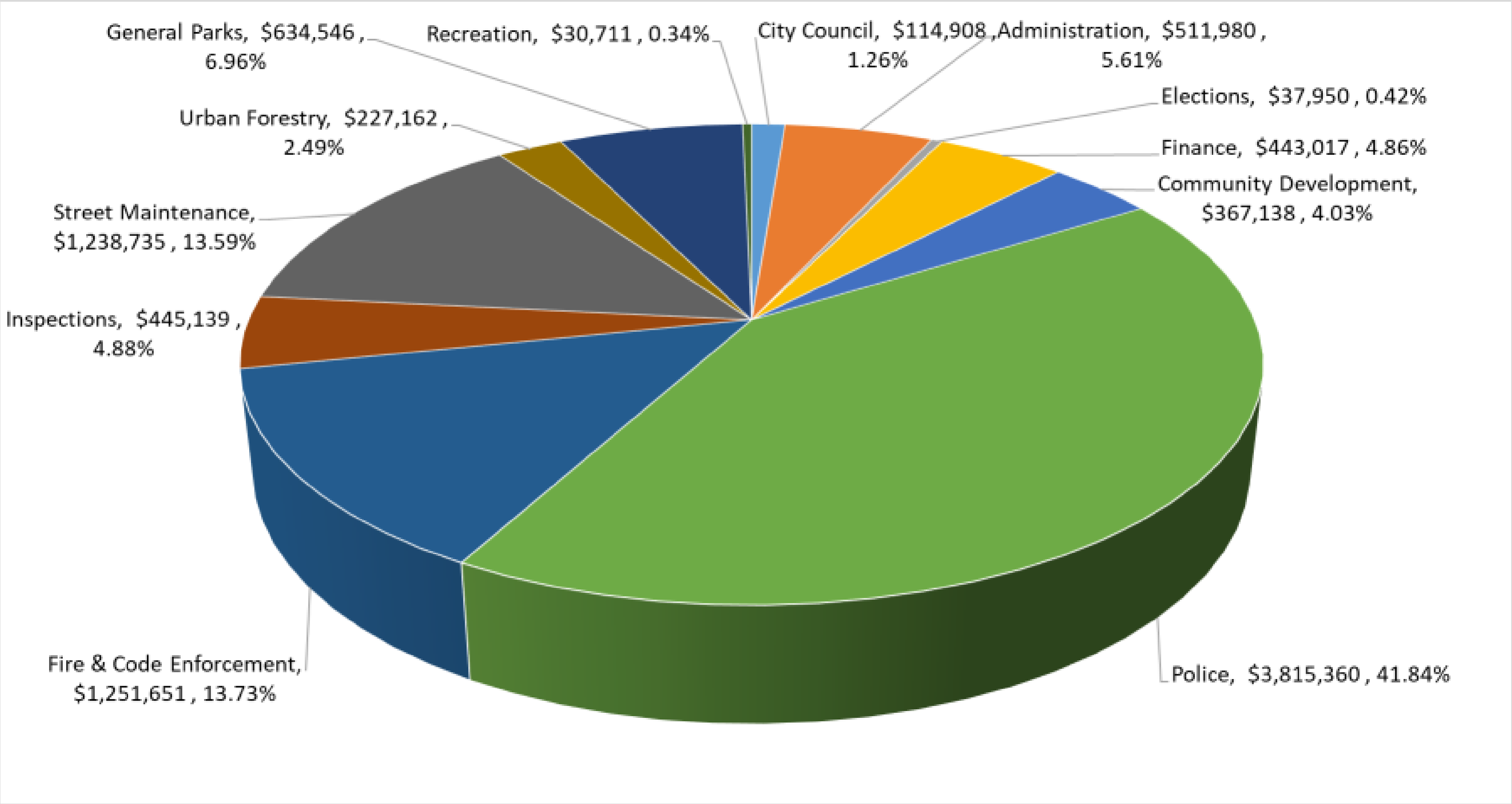
2023 General Fund Budget

- Expenditures by Category

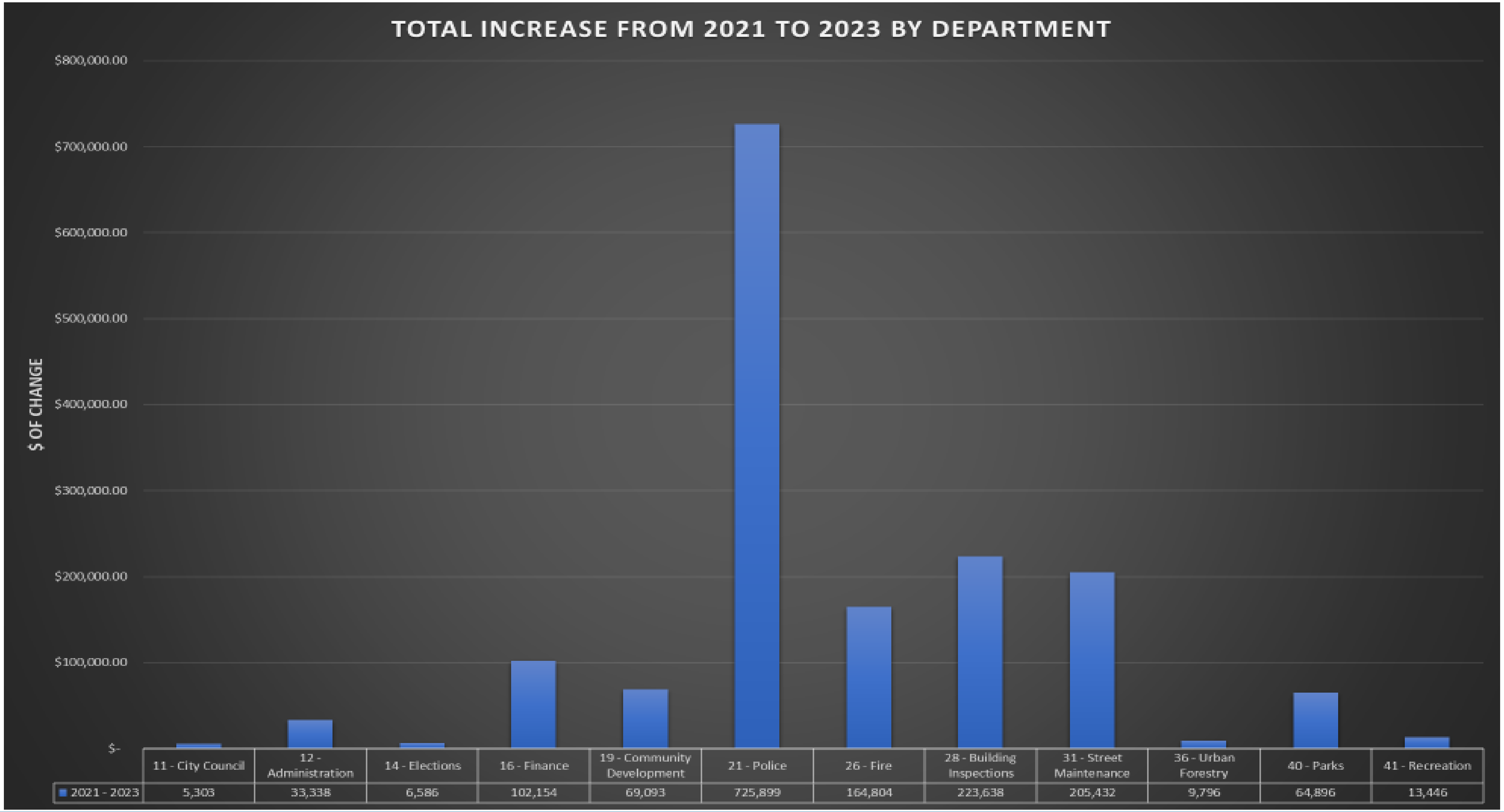


2023 General Fund Budget

- Expenditures by Department



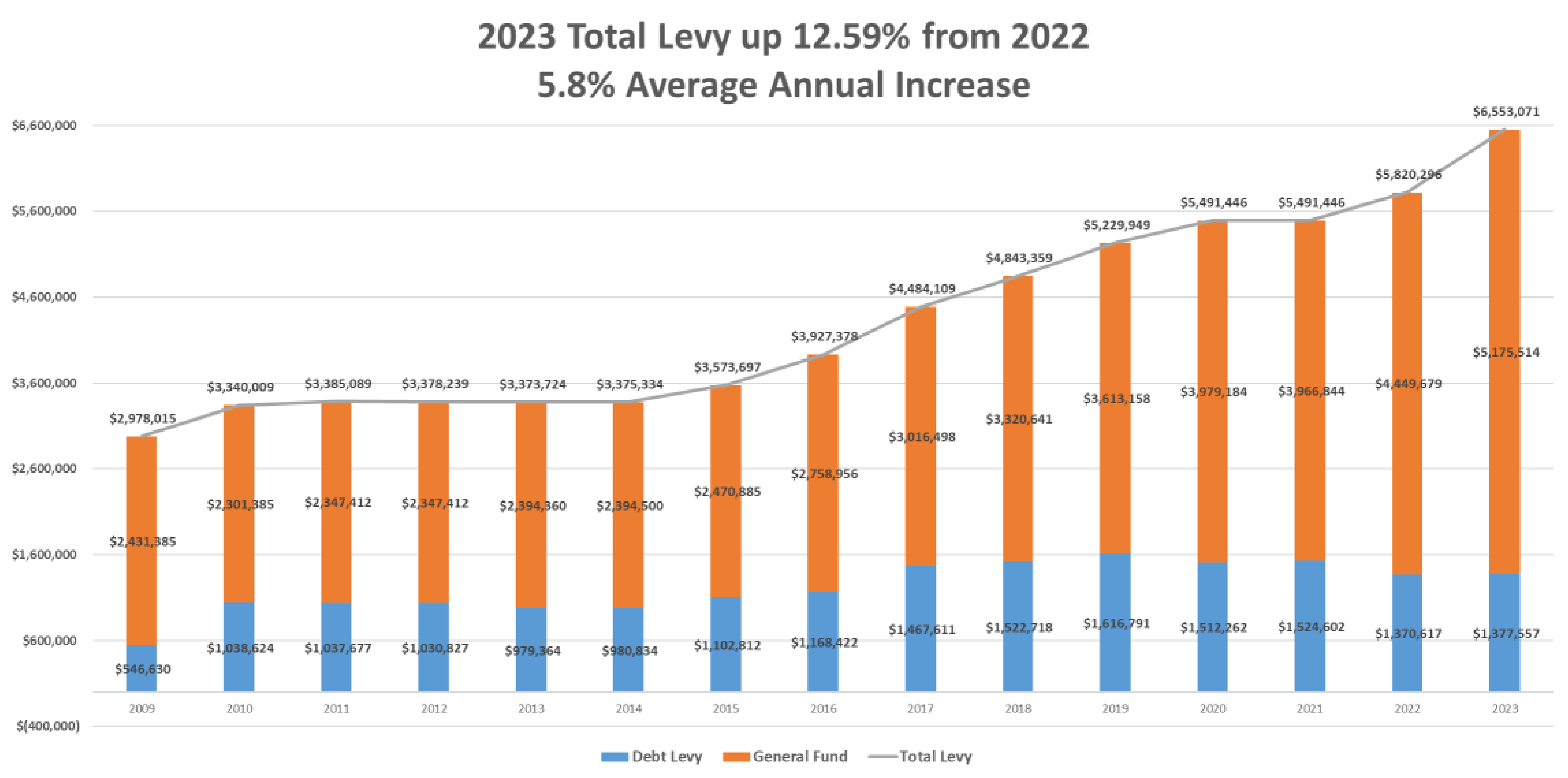
2023 General Fund Budget



2023 General Fund Budget

County Within	City or Township	Total Population, 202	General Fund Budget	Police Budget	Fire Budget	Total Public Safety	Public Safety % of Budget	Public Safety per Capita	Property Tax Revenue
Sherburne	Big Lake city	12,165	6,295,651	2,460,670	325,120	2,785,790	44.25%	229.00	3,998,934
Carlton	Cloquet city	12,715	8,860,790	3,708,075	-	3,708,075	41.85%	291.63	2,623,390
Anoka	East Bethel city	11,791	6,449,300	1,226,000	**987,500**	2,213,500	34.32%	187.73	5,144,600
Martin	Fairmont city	10,417	**10,537,457**	3,340,820	392,778	3,733,598	35.43%	358.41	3,894,798
Itasca	Grand Rapids city	11,283	**11,104,988**	3,728,351	830,787	**4,559,138**	41.05%	**404.07**	6,241,701
St. Louis	Hermantown city	10,030	7,266,219	3,238,074	636,288	3,874,362	**53.32%**	**386.28**	**6,625,838**
Washington	Lake Elmo city	12,655	7,720,521	1,049,784	**1,620,881**	2,670,665	34.59%	211.04	4,651,926
Ramsey	Little Canada city	10,766	4,855,153	1,894,298	523,840	2,418,138	**49.81%**	224.61	3,786,436
Lyon	Marshall city	**13,618**	**14,845,474**	**3,781,083**	692,939	4,474,022	30.14%	328.54	5,795,175
Dakota	Mendota Heights city	11,652	**11,116,348**	**4,852,973**	653,863	**5,506,836**	**49.54%**	**472.61**	**9,380,964**
Ramsey	Mounds View city	**13,133**	10,167,153	**3,829,481**	695,294	**4,524,775**	44.50%	344.53	5,264,490
Chisago	North Branch city	11,115	6,589,720	2,508,367	454,299	2,962,666	44.96%	266.55	4,584,519
Ramsey	North St. Paul city	12,397	9,118,297	**3,815,360**	**1,251,651**	**5,067,011**	**55.57%**	**408.73**	5,150,514
Hennepin	Rogers city	**13,905**	**13,054,583**	**5,091,455**	**1,170,877**	**6,262,332**	47.97%	**450.37**	**8,870,739**
Benton	Sauk Rapids city	**13,730**	7,649,900	3,192,600	592,300	3,784,900	**49.48%**	275.67	4,104,500
Nicollet	St. Peter city	12,066	9,374,631	3,126,458	553,295	3,679,753	39.25%	304.97	2,667,120
Ramsey	Vadnais Heights city	13,080	8,074,311	1,843,072	**1,483,297**	3,326,369	41.20%	254.31	5,349,811
Carver	Victoria city	10,968	8,478,150	579,747	833,635	1,413,382	16.67%	128.86	**7,190,000**
Carver	Waconia city	**13,297**	9,638,053	1,065,621	660,770	1,726,391	17.91%	129.83	**6,490,575**
Ramsey	White Bear township	10,985	5,654,256	1,262,962	448,500	1,711,462	30.27%	155.80	4,909,044

North St. Paul Levy Components – 2009 to 2023



DRIVING FACTORS FOR 2024

Highlights

- Total Personnel Costs - $322,170 or 4.9% Levy Increase
  - Existing Personnel & Benefits – $222,793 or 3.4% Levy Increase
  - New Communication Coordinator – Increase of $76,989 in personnel costs and reduction of $62,400 in contractual services resulting in 0.2% Levy Increase
  - Two part-time Community Service Officers replacing one full-time – increase of $22,388 or 0.3% Levy Increase
- Debt Levy increase of $75,767 or 1.2%
- Local Government Aid (LGA) Increase– $84,554 or 1.3% Decrease
- Information Technology Costs increased $51,446 due to Metro-Inet increase and allocation correction or 0.8% Levy Increase
- CIP – Infrastructure
- Items above increase Levy $364,829 or 5.6%

2023 & 2024 Debt Levy Summary

Total Levied Debt Service

Issue	Debt Type	2024 Levy	2023 Levy	Change	Final Levy Year	Final Pay Year	Description
2014A/2021A	GO Assessed Improvements & Capital Equipment Certificate (Issued Refunding Bonds in 2021)	$ 111,913	$ 113,423	$ (1,510)	2029	2030	2014 Street and Utility project including surface improvements along Chippewa, Shawnee, Apache, and Mohawk; Fire Truck purchase
2016A	GO Assessed Improvements	$ 158,059	$ 160,101	$ (2,042)	2031	2032	2016 Street and Utility project including surface, trail and sidewalk improvements along Helen, Navajo, Longview and 1st
2016A	GO Abatement*	$ -	$ -	$ -	NA	2037	Improvements to Casey Lake; Construction of a new park shelter and renovations to existing structures
2016B	GO Capital Improvement Refunding	$ 455,175	$ 458,745	$ (3,570)	2024	2025	Refunding 2008A; Original bonds were issued for the acquisition and betterment of a new City public works facility
2017A	GO Assessed Improvements	$ 61,815	$ 62,941	$ (1,126)	2032	2033	Mill and Overlay, curb and gutter replacement and sidewalk repairs to various Streets East of Margaret & North of Holloway
2018A	GO Assessed Improvements	$ 244,269	$ 247,514	$ (3,245)	2033	2034	2018 Street and Utility project including surface and trail improvements along Lake, Swan, Poplar, 19th, Park Row
2020A	GO Tax Increment Refund	$ 88,940	$ -	$ 88,940	2046	2047	Reconstruction of 7th Avenue from Margaret Street to Helen Street and Margaret Street from 7th Avenue to 5th Avenue
2022A	GO Capital Improvement	$ 333,153	$ 334,833	$ (1,680)	2033	2034	2022 Street and Utility Reconstruction Projects
	Total Levied Debt Service	**$ 1,453,324**	**$ 1,377,557**	**$ 75,767**			

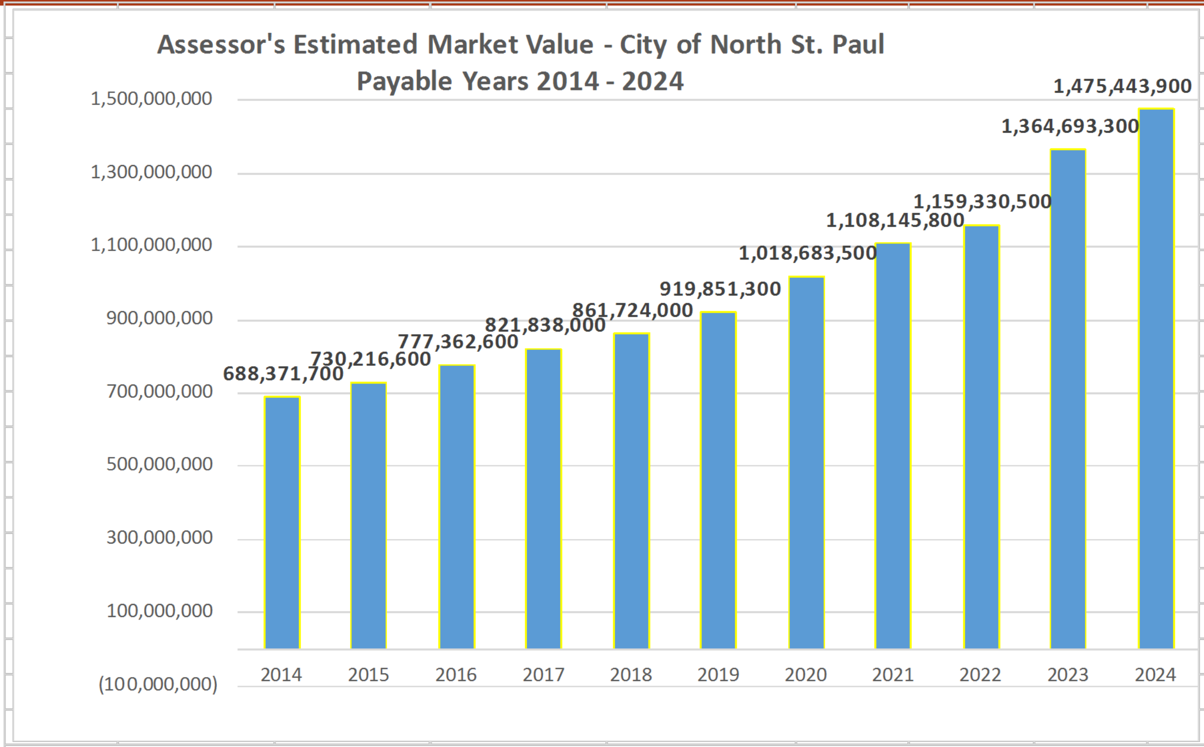
*2016A GO Abatement (Casey Lake) paid through LGA

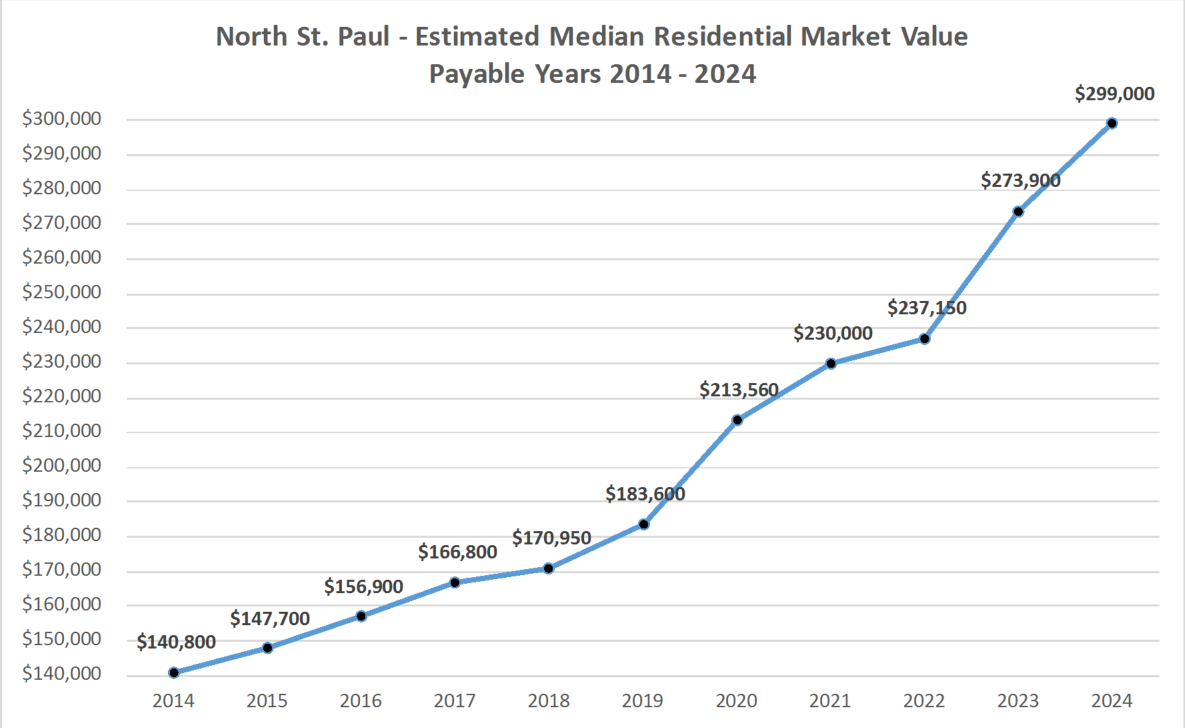
PRELIMINARY VALUATION CHANGES

Highlights

- 4th Highest total market value increase in eleven years
- Increase across all property segments
- 3rd highest median residential market value increase in ten years (only 2020 and 2023 were higher)

North St. Paul Market Value Trends





Market and home values in the City are continuing a positive trend, reflecting the recovery of the housing market. The assessor's total estimated market values increased 9.16 percent for payable 2024 and estimated residential market values increased on the median valued home approximately 8.12 percent for payable 2024.

The preliminary assessor values for payable 2024 continue this positive trend. This outlook indicates ten consecutive years of positive market value growth for the median residential property.

* Each year, assessors must set the estimated market value for parcels of real property as of January 2. These assessments are the values that will be used when local governments set their budgets in the coming months and calculate taxes for the following year. Thus, assessments set as of January 2, 2023 will eventually form the tax base that determines the amount and distribution of property taxes paid in 2024.

*** Residential Property includes single-family, duplexes, triplexes, condos and townhomes**

Preliminary NSP 2023 Market Values = Payable 2024

Property Type	2022 Parcels	2023 Parcels	’22 to ’23 % Chg	’22 p ’23 Median Value	’23 p ’24 Median Value	’22 to ’23 % Chg Median
Residential*	3,715	3,726	.30%	$273,900	$299,000	9.16%
Apartments	66	66	0.00%	$695,400	$695,400	0.00%
Commercial	80	80	0.00%	$466,900	$552,400	18.31%
Industrial	24	24	0.00%	$1,027,150	$1,240,550	20.78%

* Residential Property includes single-family, duplexes, triplexes, condos and townhomes
All data is per the 2022 Ramsey County Assessor’s Report

HRA & EDA PROPERTY TAX LEVY

2024 HRA & EDA Levies

HRA & EDA levies

- Propose to keep levies the same as in 2023

HRA levy for 2024 - $0, 0.0% increase

- Student Built Housing Program
- Future Land Acquisitions & Residential Development
- Monitoring Existing Home Improvement & Emergency Loans
- Staff Wages & Associated Expenses

EDA levy for 2024 - $200,907, 0.0% increase

- Future Land Acquisition
- Programs to Promote Economic Development
- Staff Wages & Associated Expenses

2024 BUDGET CALENDAR

2024 Budget Calendar

June 5 - 19, 2023	City Manager and Finance Director review Department Budgets and Confer with Departments.
June 20, 2023	City Council Work Session to discuss 2024 Operating Budget parameters.
July - September	City Council Work Sessions to discuss Preliminary 2024 Budget.
September 1, 2023	City Manager's recommended Preliminary 2024 Budget distributed to the City Council.
September 5, 2023	City Council adopts the Preliminary 2024 Property Tax Levy.
September	Council Certifies date for public (TNT) hearing and continuation hearing (if necessary) to County.
September	Finance Director submits preliminary 2024 Property Tax Levy to County for certification.
October through November	City Council Work Sessions as needed.
Mid-November	Truth in Taxation Notices and Public Hearings Schedule distributed by County.
December 5, 2023	Public Hearing for Budget and Levy consideration.
December 19, 2023	Continuation Hearing, Approval of Budget and Certification of Property Tax Levy For submission to County.
Late December	Finance Director Submits final Levy to County and prepares Final Budget Document.

Discussion & Activity