City of North St. Paul
City Council
Workshop Meeting Agenda

September 5, 2023
5:30 PM

The City Council Meeting will be conducted on **September 5, 2023** at 5:30 p.m. in the 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. Members of the public interested in joining remotely can connect with the following information:

The **September 5, 2023** Zoom meeting can be accessed at **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 Discussion

V. Other Business

VI. Adjournment

The next regularly scheduled City Council Workshop meeting is September 19, 2023.

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Monge and City Council	September 5, 2023

Agenda Placement # IV.A

Topic(s)

Subject

2024 Budget Discussion

Background/Facts

In order for the City to certify its maximum levy on September 19, 2023, the City Manager and Finance Department seek direction from the City Council.

To assist the City Council with providing their direction, the Finance Department will present the following:

- Proposed Additions
- 2024 Preliminary Valuation Changes
- Cities in Ramsey County Preliminary Levies
- 2024 Estimated Property Tax (With 7.5% Levy Increase) Impacts
- Other Topics for Discussion

Recommended Action

Attachments

1. 2024 LEVY AND BUDGET WORKSHOP 9.5.23 FINAL

Respectfully submitted,
Daniel Winek, Finance Director

2024 LEVY AND BUDGET WORKSHOP – GENERAL FUND

September 5, 2023

City of North St. Paul

REMINDER

- September 19, 2023:

  - Certify Maximum Levy for Taxes Payable 2024
    - City
    - HRA
    - EDA

  - Set Truth in Taxation (TNT) Public Hearing Date for Taxes Payable 2024
    - December 5, 2023 at 6:30 PM

AGENDA

- Proposed Additions
- 2024 Preliminary Valuation Changes
- Cities in Ramsey County Preliminary Levies
- 2024 Estimated Property Tax (With 7.5% Levy Increase) Impacts
- Other Topics for Discussion
- Direction from City Council

PROPOSED ADDITIONS

OPTIONS FOR ADDITIONS

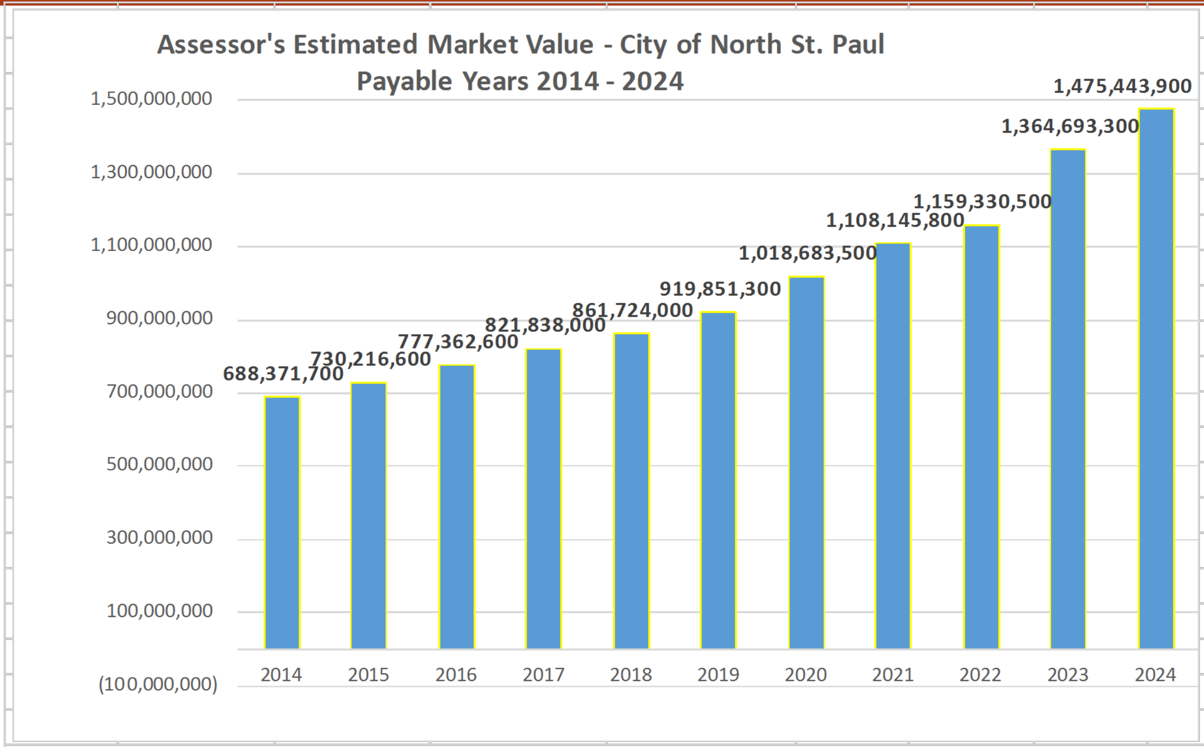
extraordinary.	2023 Approved LEVY	2024 Preliminary LEVY	$ Difference	% Change
General and Debt Service Fund - 7/19/22	6,553,071	6,913,598	360,527	5.50%
Additional Options				
Add: TI Excess Revenue			(43,254)	-0.66%
Reduce: McKnight Fields Master Planning - Funding Moved to Park Fund			(60,000)	-0.92%
Reduce: Downtown Park Master Plan - Funding Moved to Park Fund			(32,900)	-0.50%
Add: 2% Levy Dedicated to CIP			131,062	2.00%
Add: 1 Full-Time Code Compliance			104,660	1.60%
Reduce: 2 Part-Time Code Compliance			(88,123)	-1.34%
Increase On-Call Firefighters Pay - $1.5 per hour			16,186	0.25%
Add: Police Investigator			147,983	2.26%
Reduce: 1 Community Service Officer			(44,661)	-0.68%
TOTAL (If all above items were approved)		7,044,551	491,480	7.50%
Addition of One Canine			26,322	0.40%
TOTAL (If all above items plus one canine were approved)		7,070,873	517,802	7.90%
Addition of Two Canines			52,644	0.80%
TOTAL (If all above items plus two canines were approved)		7,097,195	544,124	8.30%

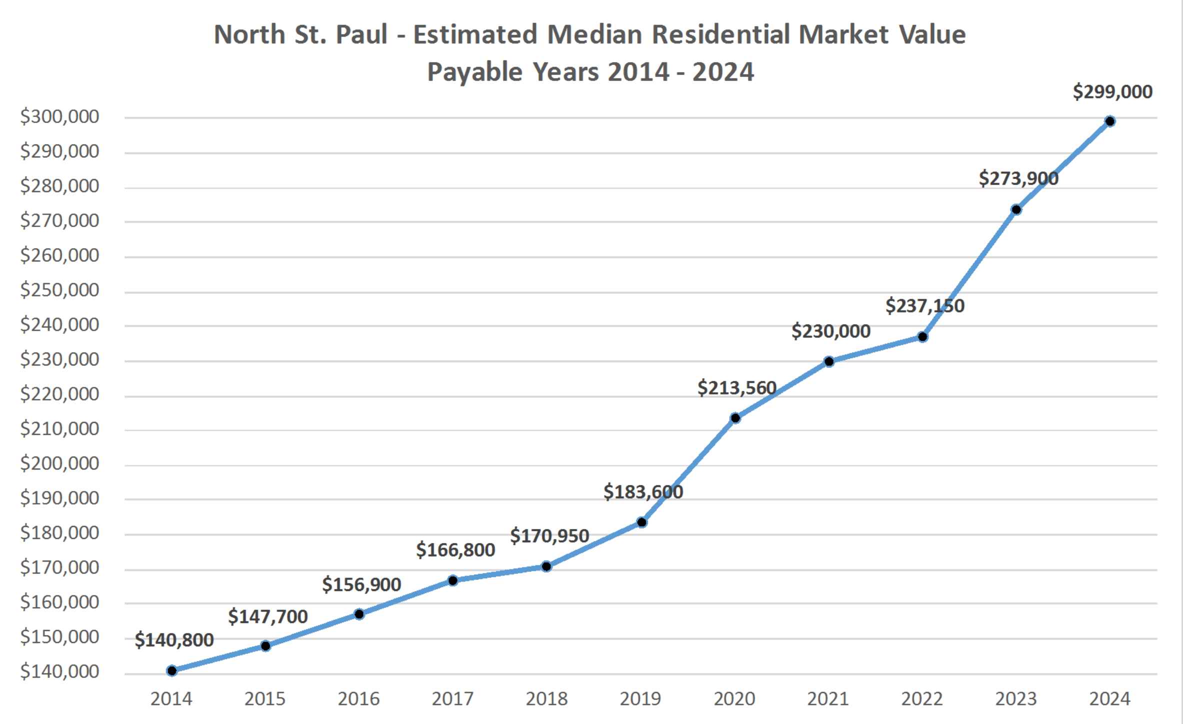
PRELIMINARY VALUATION CHANGES

Highlights

- 4^{th} 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**

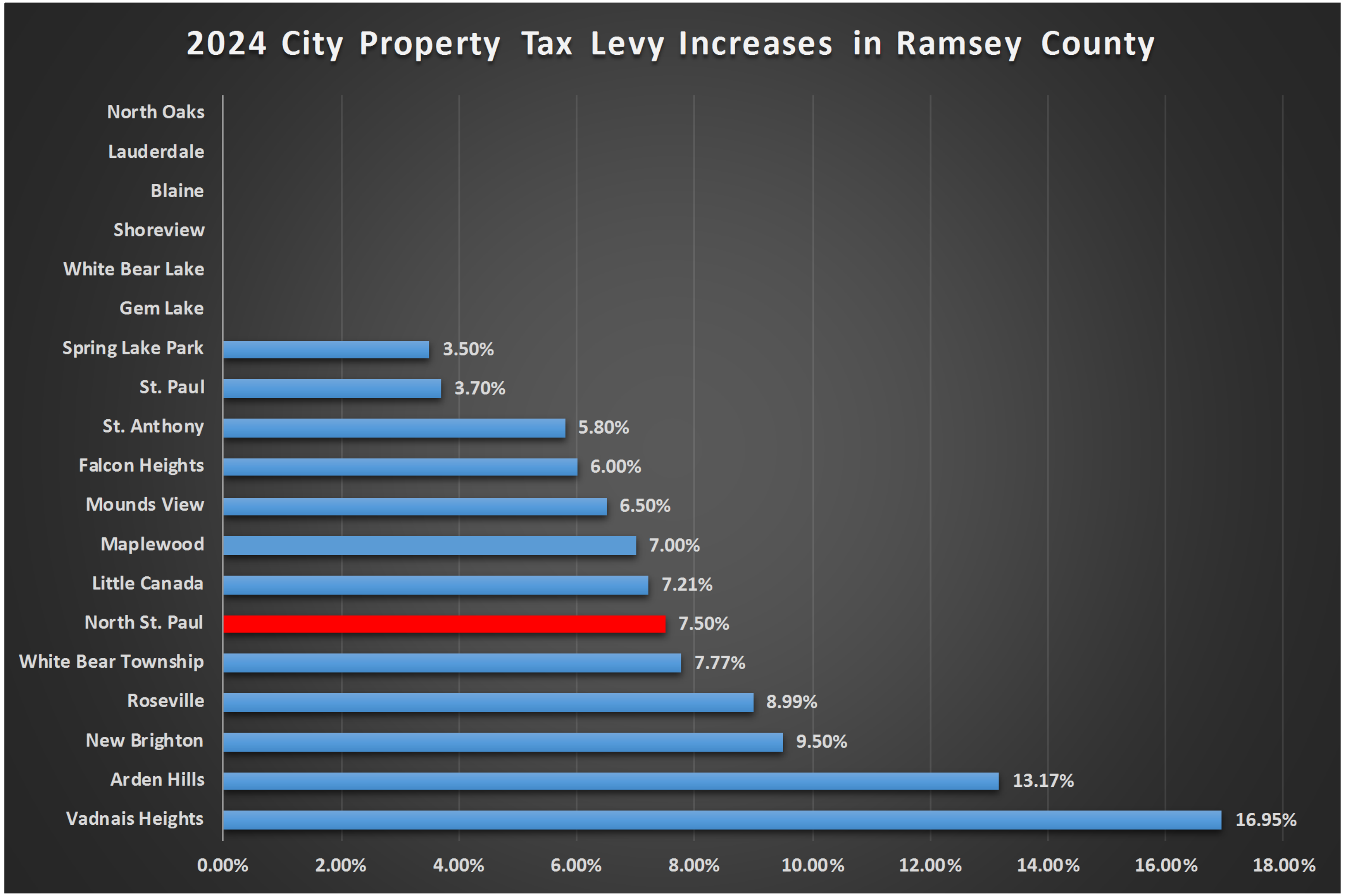
Preliminary NSP 2023 Market Values = Payable 2024

Property Type	2022 Parcels	2023 Parcels	’22 to ’23 % Chg	’22 p ’23 Median Value	’23 p ’24 Median Value	’23 to ’24 % 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 2023 Ramsey County Assessor’s Report

CITIES IN RAMSEY COUNTY PRELIMINARY LEVIES

2024 City Property Tax Levy Increases in Ramsey County



Median	7.21%
Average	7.97%

2024 ESTIMATED PROPERTY TAX (WITH 7.5% LEVY INCREASE) IMPACTS

Potential Property Tax Impacts

CITY OF NORTH ST. PAUL
ESTIMATED PROPERTY TAXES - PAYABLE 2024
CITY, HRA, and EDA PORTION OF TAXES ONLY

TAX IMPACT FOR RESIDENTIAL PROPERTY WITH NO VALUE CHANGE
7.50% Total Levy Increase

Pay Year	2023	2024	23 to '24 Change
Market Value	273,900	273,900	0.00%
Market Value Exclusion	(12,600)	(12,600)	0.00%
Taxable Market Value	261,300	261,300	0.00%
Tax Capacity	2,613	2,613	
Tax Capacity Rates:			
City	42.711%	42.733%	0.05%
HRA	0.000%	0.081%	100.00%
EDA	1.277%	1.206%	-5.61%
	43.988%	44.020%	0.07%
Property Taxes:			
City	1,116.04	1,116.61	0.57
HRA	-	2.13	2.13
EDA	33.38	31.50	(1.87)
Total	1,149.41	1,150.24	$ 0.83
			0.07%

Potential Property Tax Impacts

CITY OF NORTH ST. PAUL
ESTIMATED PROPERTY TAXES - PAYABLE 2024
CITY, HRA, and EDA PORTION OF TAXES ONLY

TAX IMPACT FOR PROPERTY WITH VALUE INCREASING 9.16% (the median increase for NSP)
7.50% Total Levy Increase

Pay Year	2023	2024	23 to '24 Change
Market Value	273,900	299,000	9.16%
Market Value Exclusion	(12,600)	(10,300)	-18.25%
Taxable Market Value	261,300	288,700	10.49%
Tax Capacity	2,613	2,887	
Tax Capacity Rates:			
City	42.711%	42.733%	0.05%
HRA	0.000%	0.081%	100.00%
EDA	1.277%	1.206%	-5.61%
Total	43.988%	44.020%	0.07%
Property Taxes:			
City	1,116.04	1,233.70	117.66
HRA	-	2.35	2.35
EDA	33.38	34.81	1.43
Total	1,149.41	1,270.85	$ 121.44
			10.57%

Potential Property Tax Impacts

CITY OF NORTH ST. PAUL
ESTIMATED PROPERTY TAXES - PAYABLE 2024
CITY, HRA, and EDA PORTION OF TAXES ONLY

TAX IMPACT FOR PROPERTY WITH VALUE INCREASING 9.43% **7.50% Total Levy Increase**			
Pay Year	**2023**	**2024**	**23 to '24 Change**
Market Value	300,000	328,300	9.43%
Market Value Exclusion	(10,200)	(7,700)	-24.51%
Taxable Market Value	289,800	320,600	10.63%
Tax Capacity	2,898	3,206	
Tax Capacity Rates:			
City	42.711%	42.733%	0.05%
HRA	0.000%	0.081%	100.00%
EDA	1.277%	1.206%	-5.61%
Total	43.988%	44.020%	0.07%
Property Taxes:			
City	1,237.76	1,370.01	132.25
HRA	-	2.61	2.61
EDA	37.02	38.65	1.64
Total	1,274.78	1,411.28	$ 136.50
			10.71%

2024 OVERALL IMPACT ON RESIDENT

CITY OF NORTH ST. PAUL, MINNESOTA
IMPACT ON AVERAGE RESIDENTIAL PROPERTY
CHANGE FROM 2023

FUND	REVENUE	PERCENT INCREASE	2023 AMOUNT	2024 AMOUNT	INCREASE
General Fund	Levy	7.50%	$ 1,116.04	$ 1,233.70	$ 117.66
HRA & EDA	Levy	N/A	33.38	37.16	3.78
Water Fund	Fee for service	4.00%	328.59	341.74	13.14
Waste Water	Fee for service	4.00%	561.22	583.66	22.45
Electricity	Fee for service	0.00%	1,165.80	1,165.80	-
Surface Water	Fee for service	4.00%	130.38	135.59	5.22
Solid Waste	Fee for service	0.00%	308.45	308.45	-
					-
Total Estimated Change			**$ 3,643.85**	**$ 3,806.10**	**$ 162.25**

OPTIONS FOR ADDITIONS

Budget	Levy Increase	2023 - 2024 Home Value $214,900 - $228,500	$271,900 - $300,600	$273,900 - $273,900	$273,900 - $299,000	$300,000 - $328,300	$300,300 - $323,100	$376,400 - $396,500	$401,900 - $449,200
Original	5.50%	$ 45.22	$ 110.42	$ (24.54)	$ 93.42	$ 105.38	$ 79.52	$ 59.25	$ 165.89
All Proposed Changes	7.50%	$ 65.77	$ 138.60	$ 0.83	$ 121.44	$ 136.50	$ 110.09	$ 97.58	$ 209.48
All Proposed Changes Plus One Canine	7.90%	$ 69.90	$ 144.27	$ 5.92	$ 127.07	$ 142.75	$ 116.23	$ 105.29	$ 218.25
All Proposed Changes Plus Two Canines	8.30%	$ 74.03	$ 149.92	$ 11.01	$ 132.69	$ 148.99	$ 122.36	$ 112.97	$ 226.99

Canine Operating Costs*	One Canine	Two Canines
Supplies	$ 7,500	$ 15,000
Salary Increases	5,732	11,464
Overtime Increases	13,090	26,180
	$ 26,322	$ 52,644

* In addition to operating costs, there are capital costs for the cost of the canines and vehicles. If approved, it is recommended these costs be paid from the Equipment Internal Services Fund.

OTHER TOPICS FOR DISCUSSION

OTHER TOPICS

- **2% Levy for Street Improvements**
  - As presented, this increase will be annually and the streets PCI rating still declines.
- **Impact of Union Contracts – 2025 - 2027**
- **Community Center**
  - Will there be any City funding required for improvements?
  - What will be the staffing requirements and how will it be funded?
- **Park Funding**
  - Not enough funding to support the current Park plan in the CIP – do we begin to levy additional funds now as we are doing for the streets?
- **Facility Funding**
  - Not enough funding to support the current facility plan in the CIP. The facility plan is not comprehensive.

DIRECTION FROM CITY COUNCIL

OPTIONS FOR ADDITIONS

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