

Truth in Taxation Public Hearing
2020 Proposed Budget and Property Tax Levy
City of Duluth, Minnesota

Mayor Emily Larson

CITY COUNCILORS

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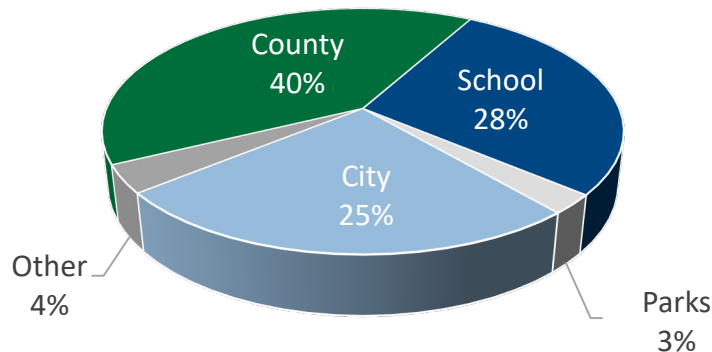
CHIEF ADMINISTRATIVE OFFICER

Noah Schuchman



City of Duluth Minnesota - 2020 Budget

Breakdown of Average Homestead Property Tax Bill by Taxing Entity



2020 Proposed Property Tax Levy

	2019 Approved Levy	2020 Proposed Levy	Change In Levy
General Operations Levy			
General Operations	\$ 19,195,600	\$ 21,879,300	\$ 2,683,700
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -
Total General Operations Levy	\$ 19,345,600	\$ 22,029,300	\$ 2,683,700
Supplemental Parks Levy	\$ 280,000	\$ 280,000	\$ -
Capital Projects Levy			
Debt Service	\$ 6,982,600	\$ 6,982,600	\$ -
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$ -
Total Capital Projects Levy	\$ 7,262,600	\$ 7,262,600	\$ -
Street Light Utility Levy			
Street Light Levy	\$ 1,307,600	\$ 1,307,600	\$ -
Street Light Levy Amendment	\$ -	\$ 457,000	\$ 457,000
Total Street Light Levy	\$ 1,307,600	\$ 1,764,600	\$ 457,000
Street Maintenance Utility Levy			
Street Maintenance	\$ 2,264,300	\$ 2,500,000	\$ 235,700
Street Maintenance Debt	\$ 735,700	\$ -	\$ (735,700)
Total Street Maintenance Utility Levy	\$ 3,000,000	\$ 2,500,000	\$ (500,000)
Total City Property Tax Levy	\$ 31,195,800	\$ 33,836,500	\$ 2,640,700
Parks Referendum Levy	\$ 2,600,000	\$ 2,600,000	\$ -
Property Tax Value Growth			\$ 2,029,700 6.51%
Proposed City Levy Tax Impact			\$ 154,000 0.49%
Proposed Street Light Amendment			\$ 457,000 1.46%
2020 Proposed City Tax Levy Increase			\$ 2,640,700 8.46%

ST LOUIS COUNTY
 AUDITOR
 NANCY NILSEN
 100 N 5TH AVE W ROOM 214
 DULUTH MN 55802
 www.stlouiscountymn.gov

Taxpayer # XXXXXX
 Average Homesteader
 123 Main Street
 Duluth, MN

Property Information

Property ID:
 XXX-XXXX-XXXXX

Property Description:

PROPOSED TAXES 2020		
THIS IS NOT A BILL. DO NOT PAY.		
Step	VALUES AND CLASSIFICATION	
	Taxes Payable Year	2019 2020
1	Estimated Market Value	160,900 160,900
	Homestead Exclusion	22,759 22,759
	Other Exclusions	0 0
	Taxable Market Value	138,141 138,141
	Class:	RES HMSTD RES HMSTD
Step	PROPOSED TAX	
2	Property Taxes before credits	2,330.00
	School building bond credit	.00
	Agriculture market value credit	.00
	Other credits	.00
	Property Taxes after credits	2,330.00
Step	PROPERTY TAX STATEMENT	
3	Coming in 2020	
The time to provide feedback on PROPOSED LEVIES is NOW It is too late to appeal your value without going to Tax Court.		

Proposed Property Taxes and Meetings by Jurisdiction for Your Property			
Contact Information	Meeting Information	Actual 2019	Proposed 2020
State General Tax	No public meeting	.00	.00
ST LOUIS COUNTY		899.60	939.00
ST LOUIS COUNTY ADMIN 100 N 5TH AVE W, ROOM 202 DULUTH MN 55802 218-726-2383 EXT 2 www.stlouiscountymn.gov	12/03/2019 7:00 PM VIRGINIA COURTHOUSE 12/05/2019 7:00 PM DULUTH COURTHOUSE		
CITY OF DULUTH		644.46	652.72
BUDGET MANAGER 411 W 1ST ST ROOM 120 DULUTH MN 55802 (218)730-5195	12/09/2019 7:00 PM CITY HALL 411 W 1ST ST RM 330 DULUTH MN 55802		
School District: 709			
Voter Approved Levies		145.24	108.41
Other Levies		538.48	544.33
BUSINESS SERVICES 215 N 1ST AVE E ROOM 215 DULUTH MN 55802 (218)336-8704 www.isd709.org	12/17/2019 6:30 PM HOCHS BOARD ROOM 215 N 1ST AVE E DULUTH MN 55802		
Special Taxing District		83.22	85.54
Tax Increment Tax		.00	.00
Fiscal Disparity Tax		.00	.00
Total excluding any special assessments		2,311.00	2,330.00 0.822 %

TAX BILL FOOTNOTES

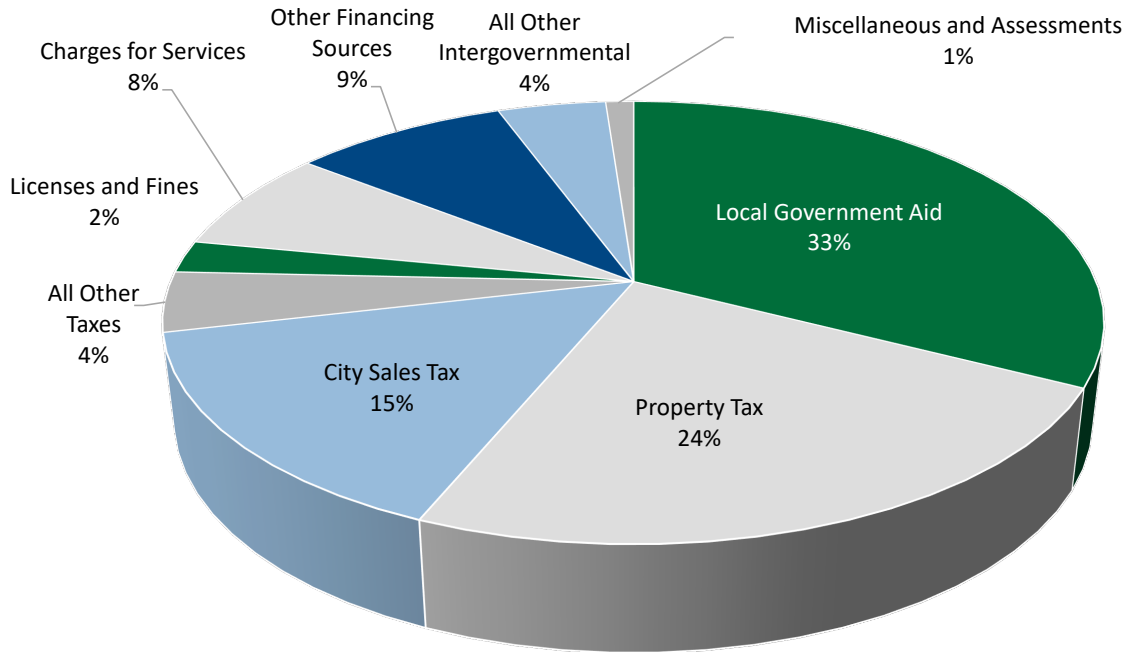
Classification changes can significantly impact an individual's property tax burden. For example, homestead properties are taxed at a different rate than non-homestead, seasonal, or commercial/industrial.

Market Value and Tax Capacity Value are used to apply the various tax rates against the property to figure the tax bill. An increase can occur due to new construction or reassessments.

There are columns showing the actual 2019 property tax for each taxing authority compared to the proposed 2020 property tax.

If the overall tax bill is significantly higher than the previous year's, the property taxpayer may file for a refund from the State of Minnesota. This can take the form of a rebate on increases over 12%, with a \$100 minimum increase; or the circuit breaker program based on ability to pay.

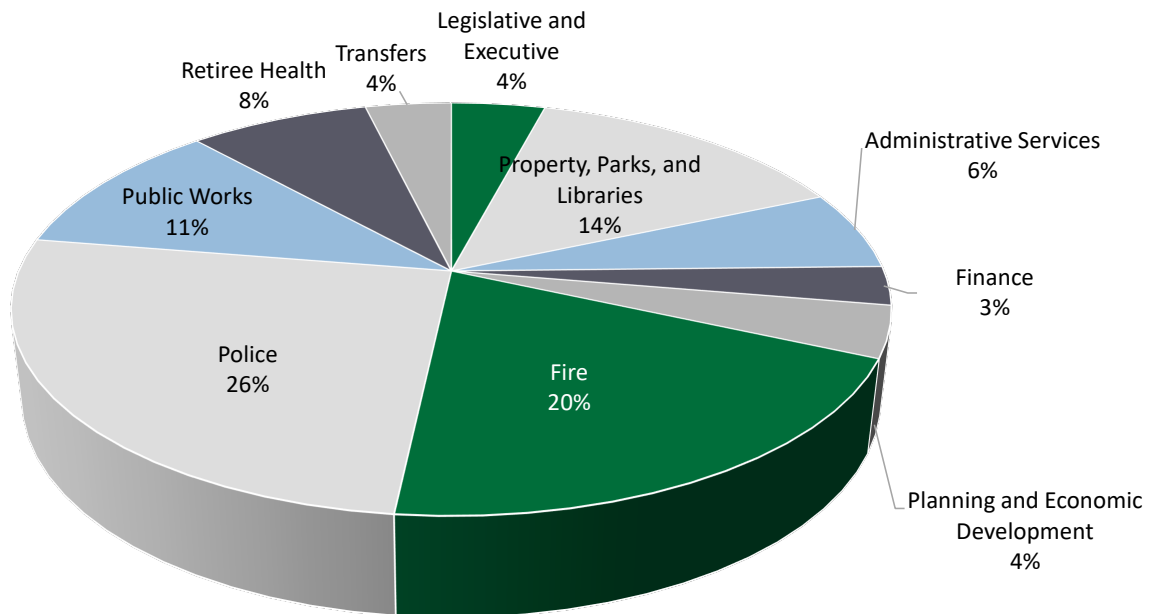
2020 General Fund Proposed Revenues



Local Government Aid	\$ 30,247,200
Property Tax	\$ 22,029,300
City Sales Tax	\$ 14,000,000
All Other Taxes	\$ 4,081,000
Licensures and Fines	\$ 2,190,100
Charges for Services	\$ 6,985,700
Other Financing Sources	\$ 8,191,700
All Other Intergovernmental	\$ 4,118,000
Miscellaneous and Assessments	\$ 1,069,600
TOTAL 2019 Revenues	\$ 92,912,600

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2020. The City's policy of maintaining a diverse revenue base is reflected in the categories of revenues listed above, with almost 200 separate budgeted sources of revenue. Although the City does have a wide variety of revenues, the reader will note the City's relative dependence on Local Government Aid, which constitutes 33% of all General Fund revenues and does not adjust for inflation. For this reason, we closely monitor Local Government Aid every session at the State Legislature.

2020 General Fund Proposed Expenditures



Legislative and Executive	\$ 3,814,800
Property, Parks, and Libraries	\$ 13,334,500
Administrative Services	\$ 5,742,000
Finance	\$ 2,815,100
Planning and Economic Development	\$ 3,726,200
Fire	\$ 18,624,500
Police	\$ 24,021,100
Public Works	\$ 9,980,100
Retiree Health	\$ 7,349,100
Transfers	\$ 3,505,200
TOTAL 2020 EXPENDITURES	\$ 92,912,600

This graph shows the General Fund departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2020. The largest category of expense is public safety with the Police and Fire departments comprising 46% of the total; followed by Property, Parks, and Libraries department at 14%. The General Fund portion of the Public Works department comprises 11% of the total. Retiree health care comprises 8% of the total. The remaining five departments totaled together are 21%, with no department exceeding 6%.

City of Duluth Minnesota - 2020 Budget

General Fund Expenses	2017 Actual	2018 Actual	2019 Approved	2020 Proposed
LEGISLATIVE AND EXECUTIVE				
City Council	148,228	185,930	204,500	204,500
Mayor's Office	430,231	445,443	628,100	766,400
Chief Administrative Officer	316,497	380,904	365,500	456,200
Attorney's Office	2,208,805	2,208,293	2,350,200	2,387,700
DEPARTMENT TOTAL	3,103,761	3,220,570	3,548,300	3,814,800
PROPERTY, PARKS, AND LIBRARIES				
Park Maintenance	2,911,874	2,989,445	3,345,900	3,364,300
Library Services	4,285,645	4,492,404	4,723,800	4,933,500
Facilities Management	4,045,087	4,349,800	4,643,800	5,036,700
DEPARTMENT TOTAL	11,242,606	11,831,649	12,713,500	13,334,500
ADMINISTRATIVE SERVICES				
Human Resources	1,088,585	1,073,441	1,214,700	1,199,400
Information Technology	2,841,984	3,041,350	3,289,700	3,676,800
City Clerk	834,694	772,507	891,200	865,800
DEPARTMENT TOTAL	4,765,263	4,887,298	5,395,600	5,742,000
FINANCE				
Budget Office	384,185	419,211	461,800	949,600
Auditor's Office	1,294,594	1,340,523	1,469,400	1,290,900
Purchasing	197,752	222,989	246,400	574,600
Treasurer's Office	618,733	600,550	673,100	0
DEPARTMENT TOTAL	2,495,264	2,583,273	2,850,700	2,815,100
PLANNING AND ECONOMIC DEVELOPMENT				
Physical Planning & Economic Dev.	1,391,392	1,405,389	1,517,200	1,499,900
Construction Services	1,651,164	1,706,363	2,143,500	2,226,300
DEPARTMENT TOTAL	3,042,556	3,111,752	3,660,700	3,726,200
FIRE DEPARTMENT				
Fire Administration	498,694	533,855	543,500	626,100
Fire Operations	15,038,381	15,499,832	16,224,000	16,615,600
Life Safety	1,145,994	1,173,568	1,225,000	1,382,800
DEPARTMENT TOTAL	16,683,069	17,207,255	17,992,500	18,624,500
POLICE DEPARTMENT				
	20,905,234	22,173,295	22,749,600	24,021,100
PUBLIC WORKS				
Director's Office	54,392	100,622	103,800	109,600
Street Maintenance	7,070,092	7,276,559	7,556,700	7,934,600
Transportation Engineering	1,765,189	1,862,346	1,886,900	1,935,900
DEPARTMENT TOTAL	8,889,673	9,239,527	9,547,400	9,980,100
TRANSFERS				
Community Solar Program	9,405,400	10,642,117	10,687,300	10,854,300
	0	895,500	0	0
DEPARTMENT TOTAL	9,405,400	11,537,617	10,687,300	10,854,300
Total General Fund	80,532,826	85,792,236	89,145,600	92,912,600

City of Duluth Minnesota - 2020 Budget

	2019 Approved Budget	2020 Proposed Budget	Variance 2019 Approved Budget vs 2020 Proposed Budget	
			\$	%
REVENUES				
Local Government Aid	29.67	30.25	0.58	2.0%
City Sales and Use Tax	13.69	14.00	0.31	2.3%
Property Tax	19.34	22.02	2.68	13.9%
Charges for Services	6.93	6.99	0.06	0.9%
Other Financing Sources	5.33	5.46	0.13	2.4%
Intergovernmental	4.11	4.12	0.01	0.2%
Minnesota Power Franchise Tax	3.15	3.10	(0.05)	-1.6%
Gas Utility in Lieu of Taxes	2.70	2.73	0.03	1.1%
Licenses and Permits	1.80	1.80	-	0.0%
All Other Taxes	0.98	0.98	-	0.0%
Miscellaneous	0.49	0.58	0.09	18.4%
Fines and Forfeits	0.52	0.39	(0.13)	-25.0%
Special Assessments	0.43	0.49	0.06	14.0%
Revenue Totals	89.14	92.91	3.77	4.23%
EXPENDITURES				
Salaries and Overtime	47.43	49.28	1.85	3.90%
Health Care	10.69	11.81	1.12	10.48%
Benefits	9.40	9.79	0.39	4.15%
Retiree Insurance	7.35	7.35	-	0.00%
Utilities	1.28	1.29	0.01	0.78%
Supplies	2.97	3.05	0.08	2.69%
Other Services and Charges	9.71	10.03	0.32	3.30%
Capital Outlay	0.31	0.31	-	0.00%
Expenditure Totals	89.14	92.91	3.77	4.23%

City of Duluth Minnesota - 2020 Budget

Bridge Schedule Outlining Variances between 2019 Approved Budget and 2020 Proposed Budget

	\$ Variance in Millions	Narrative
2019 Approved Revenues	89.14	
Property Tax	2.68	Tax levy increase and property tax value growth
Local Government Aid	0.58	Certified LGA increase for 2020
City Sales and Use Tax	0.31	Based on projected sales and use tax collections
Other Financing Sources	0.13	Increase in police grants
All Other Operating Revenues	0.07	All other changes throughout
Total Revenue Changes	3.77	
2020 Proposed Revenues	92.91	
2019 Approved Expenditures	89.14	
Salaries and Benefits	3.36	Cost of living adjustments, 10% health insurance rate increase, and new positions
All Other Operating Expenses	0.41	All other changes throughout
Total Expense Changes	3.77	
2020 Proposed Expenditures	92.91	