

Truth in Taxation Public Hearing
2021 Proposed Budget and Property Tax Levy
City of Duluth, Minnesota

Mayor Emily Larson

CITY COUNCILORS

Gary Anderson

Joel Sipress

Roz Randorf

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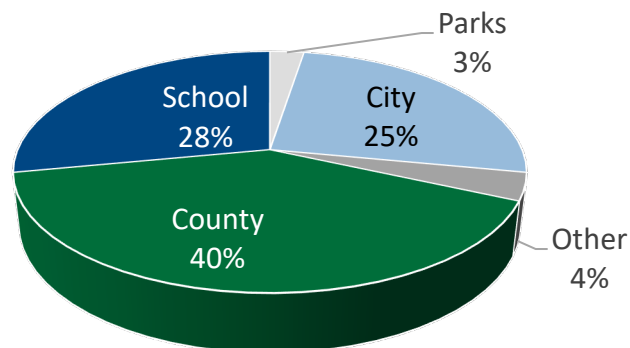
CHIEF ADMINISTRATIVE OFFICER

Noah Schuchman



City of Duluth Minnesota - 2021 Budget

Breakdown of Average Homestead Property Tax Bill by Taxing Entity



2021 Proposed Property Tax Levy

	2020 Approved Levy	2021 Proposed Levy	Change In Levy
General Operations Levy			
General Operations	\$ 21,879,300	\$ 21,879,300	\$ -
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -
Total General Operations Levy	\$ 22,029,300	\$ 22,029,300	\$ -
Supplemental Parks Levy	\$ 280,000	\$ 280,000	\$ -
Capital Projects Levy			
Debt Service	\$ 6,982,600	\$ 7,307,600	\$ 325,000
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$ -
Total Capital Projects Levy	\$ 7,262,600	\$ 7,587,600	\$ 325,000
Street Light Levy	\$ 1,764,600	\$ 2,447,200	\$ 682,600
Street Maintenance Levy	\$ 2,500,000	\$ 2,500,000	\$ -
Total City Property Tax Levy	\$ 33,836,500	\$ 34,844,100	\$ 1,007,600
Parks Referendum Levy	\$ 2,600,000	\$ 2,600,000	\$ -
Proposed Street Light Levy Increase		\$ 682,600	2.02%
Proposed Lakewalk Debt Levy Increase		\$ 325,000	0.96%
2021 Proposed City Tax Levy Increase		\$ 1,007,600	2.98%
New Construction Growth		\$ 336,400	0.99%
Other Property Tax Value Growth		\$ 1,910,364	5.65%
Total Property Tax Growth		\$ 2,246,764	6.64%
Net Property Tax Impact After Growth		\$ (1,239,164)	-3.66%

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

Taxpayer # xxxxx
 Current Resident
 xxxxx xxxxxxx
 Duluth, MN 55802

Property Information

Property ID:
 xxx-xxxx-xxxxx

Property Description:

Plat: Duluth
 Lot: xxx Blk: xxx Acres .00
 LOT: xxx BLOCK: xxx

PROPOSED TAXES 2021		
THIS IS NOT A BILL. DO NOT PAY.		
Step	VALUES AND CLASSIFICATION	
	Taxes Payable Year	2020 2021
1	Estimated Market Value	168,800 168,800
	Homestead Exclusion	22,048 22,048
	Other Exclusions	0 0
	Taxable Market Value	146,752 146,752
	Class:	RES HMSTD RES HMSTD
Step	PROPOSED TAX	
2	Property Taxes before credits	2,398.00
	School building bond credit	.00
	Agriculture market value credit	.00
	Other credits	.00
	Property Taxes after credits	2,398.00
Step	PROPERTY TAX STATEMENT	
3	Coming in 2021	
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 2020	Proposed 2021
State General Tax	No public meeting	.00	.00
ST LOUIS COUNTY		994.55	971.38
Please visit our website or call for info on attending budget hearings 218-726-2383 EXT 2 www.stlouiscountymn.gov	11/23/2020 7:00 PM Virginia Courthouse 11/30/2020 7:00 PM Duluth Govt Serv Ctr		
CITY OF DULUTH		693.98	670.50
Budget Manager 411 W 1st ST RM 120 Duluth, MN 55802 (218)730-5195 https://duluthmn.gov/live-meeting/	12/14/2020 7:00 PM See website for information on virtual meeting		
SCHOOL DISTRICT: 709		113.75	118.72
School Voter Approved Levies		577.42	550.00
ISD 709 Business Services 215 N 1st Ave E Room 213 Duluth, MN 55802 (218)336-8704 www.isd709.org	12/15/2020 6:30 PM HOCHS Board Room 215 N 1st Ave E Duluth, MN 55802		
Special Taxing District		91.30	87.40
Tax Increment Tax		.00	.00
Fiscal Disparity Tax		.00	.00
For the St. Louis County Public Meetings, you can send us an email at publiccomment@stlouiscountymn.gov - Submitted e-mails will be forwarded to the County Board and will be considered part of the public record.			
Total excluding any special assessments		2,471.00	2,398.00 -3.0 %

TAX BILL FOOTNOTES

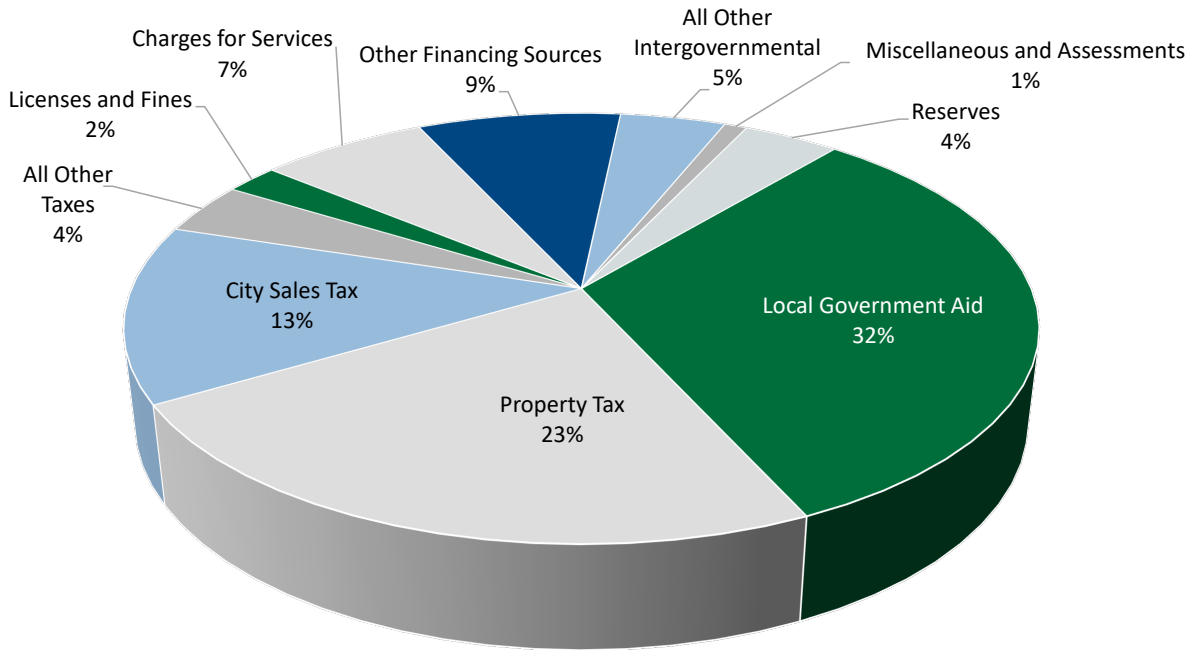
Classification changes can significantly impact an individual's property tax burden. For example, homestead properties are taxed at a different rate than non-homestead, seasonal, or commercial/industrial.

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 2020 property tax for each taxing authority compared to the proposed 2021 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.

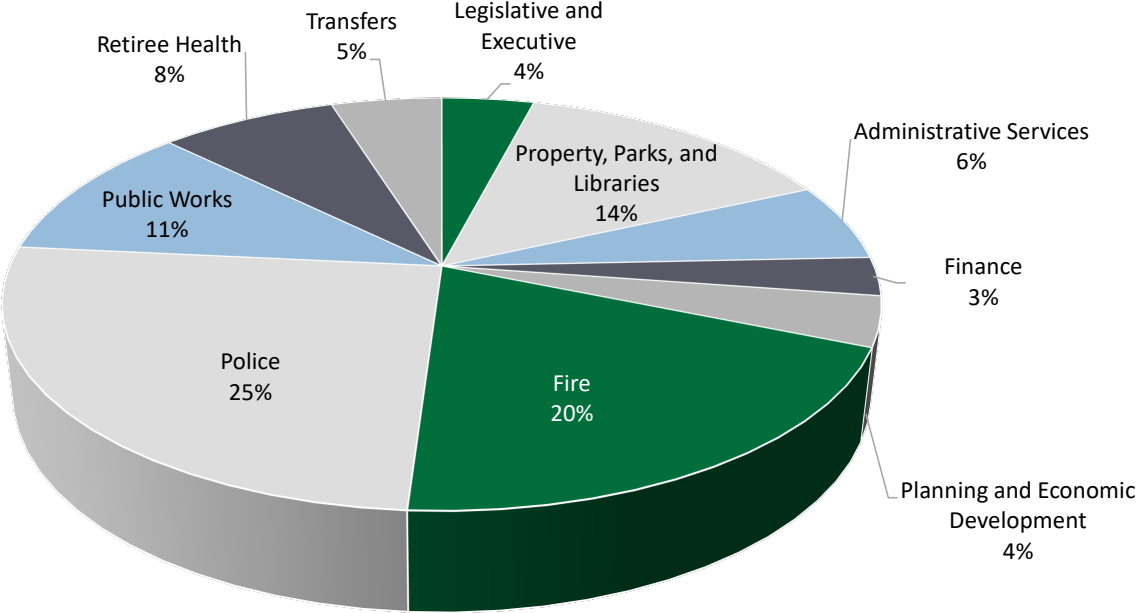
2021 General Fund Proposed Revenues



Local Government Aid	\$ 30,247,200
Property Tax	\$ 22,029,300
City Sales Tax	\$ 12,600,000
All Other Taxes	\$ 3,680,100
Licenses and Fines	\$ 2,098,900
Charges for Services	\$ 6,678,900
Other Financing Sources	\$ 8,083,000
All Other Intergovernmental	\$ 4,197,000
Miscellaneous and Assessments	\$ 905,200
Reserves	\$ 3,825,600
TOTAL 2021 Revenues	\$ 94,345,200

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2021. 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 32% 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.

2021 General Fund Proposed Expenditures



Legislative and Executive	\$ 3,812,700
Property, Parks, and Libraries	\$ 13,381,100
Administrative Services	\$ 5,738,700
Finance	\$ 2,850,200
Planning and Economic Development	\$ 3,677,000
Fire	\$ 18,696,200
Police	\$ 24,061,100
Public Works	\$ 10,189,900
Retiree Health	\$ 7,349,100
Transfers	\$ 4,589,200
TOTAL 2021 EXPENDITURES	\$ 94,345,200

This graph shows the General Fund departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2021. The largest category of expense is public safety with the Police and Fire departments comprising 45% 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 22%, with no department exceeding 6%.

City of Duluth Minnesota - 2021 Budget

General Fund Expenses	2018 Actual	2019 Actual	2020 Approved	2021 Proposed
LEGISLATIVE AND EXECUTIVE				
City Council	185,930	189,634	204,500	206,500
Mayor's Office	445,443	730,317	766,400	779,400
Chief Administrative Officer	380,904	334,908	456,200	482,000
Attorney's Office	2,208,293	2,321,321	2,387,700	2,344,800
DEPARTMENT TOTAL	3,220,570	3,576,180	3,814,800	3,812,700
PROPERTY, PARKS, AND LIBRARIES				
Park Maintenance	2,989,445	3,137,381	3,364,300	3,277,900
Library Services	4,492,404	4,615,510	4,933,500	5,006,000
Facilities Management	4,349,800	4,539,542	5,036,700	5,097,200
DEPARTMENT TOTAL	11,831,649	12,292,433	13,334,500	13,381,100
ADMINISTRATIVE SERVICES				
Human Resources	1,073,441	1,140,016	1,199,400	1,214,100
Information Technology	3,041,350	3,446,628	3,676,800	3,662,800
City Clerk	772,507	876,622	865,800	861,800
DEPARTMENT TOTAL	4,887,298	5,463,266	5,742,000	5,738,700
FINANCE				
Budget Office	419,211	505,325	949,600	953,100
Auditor's Office	1,340,523	1,319,320	1,290,900	1,279,500
Purchasing	222,989	234,223	574,600	617,600
Treasurer's Office	600,550	630,611	0	0
DEPARTMENT TOTAL	2,583,273	2,689,479	2,815,100	2,850,200
PLANNING AND ECONOMIC DEVELOPMENT				
Physical Planning & Economic Dev.	1,405,389	1,311,365	1,499,900	1,473,600
Construction Services	1,706,363	2,020,351	2,226,300	2,203,400
DEPARTMENT TOTAL	3,111,752	3,331,716	3,726,200	3,677,000
FIRE DEPARTMENT				
Fire Administration	533,855	627,270	626,100	690,100
Fire Operations	15,499,832	16,332,434	16,615,600	16,639,200
Life Safety	1,173,568	1,202,779	1,382,800	1,366,900
DEPARTMENT TOTAL	17,207,255	18,162,483	18,624,500	18,696,200
POLICE DEPARTMENT				
	22,173,295	23,180,335	24,021,100	24,061,100
PUBLIC WORKS				
Director's Office	100,622	106,296	109,600	119,000
Street Maintenance	7,276,559	8,085,037	7,934,600	8,087,300
Transportation Engineering	1,862,346	1,823,338	1,935,900	1,983,600
DEPARTMENT TOTAL	9,239,527	10,014,671	9,980,100	10,189,900
TRANSFERS				
Community Solar Program	10,642,117	12,386,670	10,854,300	11,938,300
	895,500	0	0	0
DEPARTMENT TOTAL	11,537,617	12,386,670	10,854,300	11,938,300
Total General Fund	85,792,236	91,097,233	92,912,600	94,345,200

City of Duluth Minnesota - 2021 Budget

	2020 Approved Budget	2021 Proposed Budget	Variance 2020 Approved Budget vs 2021 Proposed Budget	
			\$	%
REVENUES				
Local Government Aid	30.25	30.25	-	0.0%
City Sales and Use Tax	14.00	12.60	(1.40)	-10.0%
Property Tax	22.03	22.03	-	0.0%
Charges for Services	6.99	6.68	(0.31)	-4.4%
Other Financing Sources	5.47	5.44	(0.03)	-0.5%
Intergovernmental	4.12	4.20	0.08	1.9%
Minnesota Power Franchise Tax	3.10	2.75	(0.35)	-11.3%
Gas Utility in Lieu of Taxes	2.73	2.64	(0.09)	-3.3%
Licenses and Permits	1.80	1.72	(0.08)	-4.4%
All Other Taxes	0.98	0.93	(0.05)	-5.1%
Miscellaneous	0.57	0.41	(0.16)	-28.1%
Fines and Forfeits	0.38	0.38	-	0.0%
Special Assessments	0.49	0.49	-	0.0%
Reserves	-	3.83	3.83	N/A
Revenue Totals	92.91	94.35	1.44	1.55%
EXPENDITURES				
Salaries and Overtime	49.24	49.34	0.10	0.20%
Health Care	11.81	11.81	-	0.00%
Benefits	9.79	9.96	0.17	1.74%
Retiree Insurance	7.35	7.35	-	0.00%
Utilities	1.29	1.29	-	0.00%
Supplies	3.05	3.06	0.01	0.33%
Other Services and Charges	10.07	11.23	1.16	11.52%
Capital Outlay	0.31	0.31	-	0.00%
Expenditure Totals	92.91	94.35	1.44	1.55%

City of Duluth Minnesota - 2021 Budget

Bridge Schedule Outlining Variances between 2020 Approved Budget and 2021 Proposed Budget

	\$ Variance in Millions	Narrative
2020 Approved Revenues	92.91	
City Sales and Use Tax	(1.40)	Based on projected sales and use tax collections.
Minnesota Power Franchise Tax	(0.35)	Decrease due to idled paper mill.
Charges for Services	(0.31)	Decrease in Inspection Services.
All Other Operating Revenues	(0.33)	All other changes throughout.
Reserves	3.83	Use of Cash Reserves to fund revenue shortfalls due to the recession caused by the
Total Revenue Changes	1.44	
2021 Proposed Revenues	94.35	
2020 Approved Expenditures	92.91	
Salaries and Benefits	0.27	Step/Longevity Increases for staff along with corresponding benefits.
Other Services and Charges	1.16	Increased Worker's Comp Claims.
All Other Operating Expenses	0.01	All other changes throughout.
Total Expense Changes	1.44	
2021 Proposed Expenditures	94.35	