



BUDGET WORKSHOP

AUGUST 21, 2023

Tax History & Distribution, Relevant Strategic Plans, and
Proposed 2024 Tax Levy

EXECUTIVE SUMMARY

The purpose of this workshop complies with the budget calendar previously approved by the city council to review and discuss the tax history & distribution backgrounds, relevant strategic plans, and the proposed tax levy.

- The taxable market value (TMV) of the community is estimated at nearly \$1.6 billion for 2024. This is nearly a \$118 million increase (or about 8%) between 2023 and 2024 in new growth.
- The total city tax capacity increased by an estimate of \$1.4 million between 2023 and 2024.
- The 2024 tax levy is estimated at \$9.15 million which is an 18% increase and amounts to approximately \$1.4 million in new revenue for the City. The general fund levy for 2024 would reduce by about \$271,000, the debt service fund would increase by \$177,000, the tax abatement levy would increase by \$3,000, and a new capital levy would be created for \$1,485,000.
- The value of the community increased by 8% and new construction makes up 1.08% of that increase.
- The estimated tax rate is 47.568% a 3.54 percentage point increase from 2023.
- North Mankato is comprised of 5 major tax classifications including residential, commercial, industrial, agricultural, and tax-exempt properties.
 - o Residential parcels make up 76% of total City parcels. These parcels pay 59% of all city tax amounts.
 - o Commercial and industrial properties make up 5% of total City parcels and contribute to 26% of the City tax levy.
- The top 10 highest contributing tax entities in North Mankato contribute to 7.04% of the total levy or approximately \$609,979.
- The average North Mankato homeowner pays roughly \$1,273.44 in city taxes. Roughly 84% of all residents contributing to the tax levy have an estimated property value between \$100,000 and \$400,000.
- When compared to other similarly sized cities, North Mankato ranks in upper third for TMV, in the middle third for levy, and the bottom third for city tax rates. City utility rates are competitive when compared to similar cities in terms of population size and geographic location.
- Randomly selected commercial and residential properties suggest that the city portion of property tax rates has remained relatively flat over the last three years.

CITY OF NORTH MANKATO																						
TAXABLE MARKET VALUE, TAX CAPACITY, PROPERTY TAX LEVY AND TAX RATE																						
Tax Payabl e Year (1)	Est. Market Value	Taxabl e Market Value	Change in TMV	% Chang e in TMV	Tax Increment Tax Capacity	Total Tax Capacity	Chang e in Tax Capacity	General Fund Levy	Library Levy	Bookmobil e Levy	Comm. Dev. Levy	Parkland Levy	Flood Contro l Levy	Contingenc y Levy	Port Authorit y Levy	Fireman' s Relief Levy	Capital Levy	Debt Service Levy	Abatement Levy	Tota l Lev y	Percent Levy Increase	Tax Rate
2006	834,232,100	832,560,000			178,192	9,514,672	3.0%	2,203,795	305,620	-	-	78,500	6,000	25,000	45,000	12,489		1,248,015	-	3,924,419	0.00%	41.246%
2007	857,502,300	856,965,300	24,405,300	2.93%	192,264	9,750,656	2.5%	2,486,493	325,565	-	-	78,500	6,000	25,000	45,000	12,577		1,239,615	-	4,218,750	7.50%	43.267%
2008	917,161,600	914,595,000	57,629,700	6.72%	198,385	10,344,239	6.1%	2,714,951	372,830	-	-	78,500	6,000	35,000	65,000	12,817		1,318,471	-	4,603,569	9.12%	44.503%
2009	945,061,500	926,820,100	12,225,100	1.34%	182,268	10,484,247	1.4%	2,780,856	367,080	10,500	-	8,500	6,000	55,000	65,000	12,935		1,368,208	-	4,674,079	1.53%	44.581%
2010	935,435,600	929,989,400	3,169,300	0.34%	189,067	10,551,259	0.6%	2,753,574	436,745	12,045	-	8,500	6,000	55,000	65,000	13,303		1,463,987	-	4,814,154	3.00%	45.626%
2011	915,774,000	915,046,500	(14,942,900)	-1.61%	80,835	10,598,032	0.4%	2,656,357	436,745	12,045	15,978	8,500	6,000	55,000	65,000	32,686		1,525,843	-	4,814,154	0.00%	45.425%
2012	950,583,400	870,672,800	(44,373,700)	-4.85%	52,436	10,177,574	-4.0%	3,103,154	419,405	39,831	15,978	-	6,000	50,000	65,000	22,740		1,430,015	-	5,152,123	7.02%	50.598%
2013	925,270,700	847,806,500	(22,866,300)	-2.63%	242,538	9,861,666	-3.1%	3,195,028	444,353	42,109	3,282	-	12,000	55,005	74,479	33,856		1,523,672	-	5,383,784	4.50%	54.566%
2014	933,833,600	856,917,400	9,110,900	1.07%	240,045	9,963,464	1.0%	3,778,784	-	-	-	-	-	-	75,000	-		1,530,000	-	5,383,784	0.00%	54.009%
2015	983,644,400	898,894,600	41,977,200	4.90%	255,229	10,432,202	4.7%	3,991,414	-	-	-	-	-	-	75,000	-		1,441,457	88,543	5,596,414	3.949%	53.620%
2016	1,013,909,400	919,768,100	20,873,500	2.32%	257,824	11,062,061	6.0%	4,177,929	-	-	-	-	-	-	75,000	-		1,430,128	111,347	5,794,404	3.538%	53.606%
2017	1,046,173,100	975,204,800	55,436,700	6.03%	314,983	11,255,834	1.8%	4,282,256	-	-	-	-	-	-	75,000	-		1,440,953	112,083	5,910,292	2.000%	52.485%
2018	1,110,030,400	1,041,251,400	66,046,600	6.77%	313,969	12,373,308	9.9%	4,621,889	-	-	-	-	-	-	75,000	-		1,370,848	221,014	6,288,751	6.403%	52.124%
2019	1,211,310,500	1,134,510,200	93,258,800	8.96%	319,666	13,432,345	8.6%	5,040,048	-	-	-	-	-	-	75,000	-		1,375,458	193,332	6,683,838	6.282%	50.950%
2020	1,248,907,400	1,183,925,900	49,415,700	4.36%	362,059	14,035,775	4.5%	5,119,393							75,000			1,143,970	456,196	6,794,559	1.657%	49.668%
2021	1,306,717,000	1,244,312,100	60,386,200	5.10%	464,654	14,760,762	5.2%	5,218,162							75,000			1,213,070	477,096	6,983,328	2.778%	48.827%
2022	1,369,332,200	1,284,577,400	40,265,300	3.24%	392,673	15,277,920	3.5%	5,300,575							75,000			1,346,736	400,684	7,122,995	2.0%	47.833%
2023	1,595,895,400	1,484,186,195	200,181,304	15.58%	408,476	17,805,732	16.6%	5,854,941	-	-	-	-	-	-	75,000	-		1,350,405	469,334	7,749,680	8.8%	44.028%
2024 EST	1,722,997,400	1,602,391,331	117,632,627	7.92%	440,838	19,223,358	7.9%	5,584,077	-	-	-	-	-	-	75,000	-	1,475,000	1,527,666	472,334	9,144,077	18.0%	47.568%

CITY OF NORTH MANKATO AVERAGES FOR TAXABLE MARKET VALUE, TAX CAPACITY, PROPERTY TAX LEVY AND TAX RATE										
Yearly Basis	Est. Market Value	Taxable Market Value	Change in TMV	% Change in TMV	Tax Increment Tax Capacity	Total Tax Capacity	Change in Tax Capacity	Total Levy	Percent Levy Increase	Tax Rate
2024 Est.	1,722,997,400	1,602,391,331	117,632,627	7.92%	440,838	19,223,358	7.9%	9,144,077	18.0%	47.568%
3 Year Avg.	1,562,946,867	1,457,242,478	119,359,744	8.91%	413,996	17,437,960	9.3%	8,005,584	9.60%	46.48%
5 Year Avg.	1,448,893,000	1,359,993,087	93,576,226	7.24%	413,740	16,222,083	7.5%	7,558,928	6.65%	47.58%
10 Year Avg.	1,260,953,280	1,176,959,454	74,547,393	6.52%	353,037	13,966,617	6.9%	6,806,834	5.54%	50.07%
10 Year High	1,722,997,400	1,602,391,331	200,181,304	15.58%	464,654	19,223,358	16.6%	9,144,077	17.99%	53.62%
10 Year Low	983,644,400	898,894,600	20,873,500	2.32%	255,229	10,432,202	1.8%	5,596,414	1.66%	44.03%

BUDGET CALENDAR

June 1st	Finance Director distributes SWOT analyses to Department Heads to complete
June 16th	SWOT analyses due back to Finance Director
June 20th	City Administrator sets expectations for budget requests. Finance Director distributes budget calendars, budget worksheets and capital improvement worksheets to all Department Heads.
July 7th	Department Heads submit budget and capital improvement requests.
June/July	CAFR presented to Council. Finance Director assembles preliminary City budget.
End of July	Finance Director presents preliminary City budget to City Administrator
August 7 (6:00 p.m.)	Levy Overview of all department requests
August 21 (5:30 p.m.)	Council Budget Workshop #2 - Tax history & distribution background, relevant strategic plans, proposed tax levy guidance.
September 5 (6:00 p.m.)	Council Budget Workshop #3 - Present Tax Levy supported funds (Gen. Fund, Debt Service Fund, Port Authority Gen. Fund)
September 18th (6:00 p.m.)	Council Budget Workshop #4 - Present 5 year Capital Improvement Plan, Capital Facilities/Equipment Replacement Fund, and Construction Fund.
September 18th (7:00 p.m.)	Council Action #1 - At the regular business meeting the City Council adopts the proposed property tax levy and announces the time and place of a future city council meeting at which the budget and levy will be discussed and public input allowed, prior to final budget and levy determination.
September 30th	Deadline for City to adopt proposed budget by resolution and certify to the county auditor the proposed property tax levy for taxes payable in the following year. (Will already be completed if Council adopts on Sept. 18th)
October 2nd (6:00 p.m.)	Council Budget Workshop #5 - Present economic development & Recreation Funds (TIF, Joint Economic Development, Caswell Sports, Caswell North, Spring Lake Park Swim Facility, Football, Library Endowment)
October 16th (6:00 p.m.)	Council Budget Workshop #6 - Present Utility funds (Water, Sewer, Solid Waste, Recycling, Stormwater)
November 13 - 24	Period for county auditors to prepare and county treasurers to mail parcel specific notices of proposed tax levies to taxpayers.
November 29th	Staff publishes notice for December 4th "Truth In Taxation" hearing as required by state statute.
December 4th	Council Action #2 - At a regular business meeting the City Council holds required Public Hearing for 2024 Budget and 2024-2028 Capital Improvement Plan (1st hearing).
December 18th	City Council holds Public Hearing (continuation hearing, if necessary).
December 18th	Council Action #3 - At a regular business meeting the City Council adopts 2024 Budget and Tax Levy and 2024-2028 Capital Improvement Plan.

AT A GLANCE



PARCELS

- North Mankato contains a total of 5,281 parcels.
- With a population of 14,251, North Mankato's total parcel count includes both rented and owned residences, commercial and industrial zones, agricultural plots, and tax exempt properties.

TAXABLE MARKET VALUE

- Total TMV for 2024 is estimated at \$1,602,391,331
- This 2024 value is a 7.92% increase from the 2023 TMV of \$1,484,758,704.
- Of this increase, 1.08% is new growth.
- The City's TMV has been increasing by an average of 6.52% since 2015.

NET TAX CAPACITY

- Total NTC of \$19,223,358
- The "tax capacity value" is determined by multiplying the taxable market value of the property by the statutory percentage rates (also called class rates) for the specific classification(s) / use(s) on the property.

TAX RATE AND LEVY

- In 2023, the North Mankato tax levy was \$7.7 million. This was just 43.5% of the NTC.
- The city tax rate in 2023 was 44.028% which was down from the highest rate of 54.57% in 2013.
- The proposed 2024 city tax rate is estimated at 47.568%.

RESIDENTIAL AND HOMESTEAD

\$1,273 Average City Tax payment for resident/homestead parcels

- Residential parcels total 4,042 including single unit, non-agricultural homesteads.
- 77% of parcels
- 59% of city taxes

AGRICULTURAL

\$1,231 Average City Tax payment for agriculture parcels

- 27 non-homestead agricultural parcels and 2 agricultural homestead
- Less than 1% of parcels
- Less than 1% of city taxes

COMMERCIAL AND INDUSTRIAL

\$9,291 Average City Tax payment for commercial parcels

- 247 commercial and public utility parcels
- 5% of parcels
- 26% of city taxes

RENTAL AND NON-HOMESTEAD

\$1,465 Average City Tax payment for rental/non homestead parcels

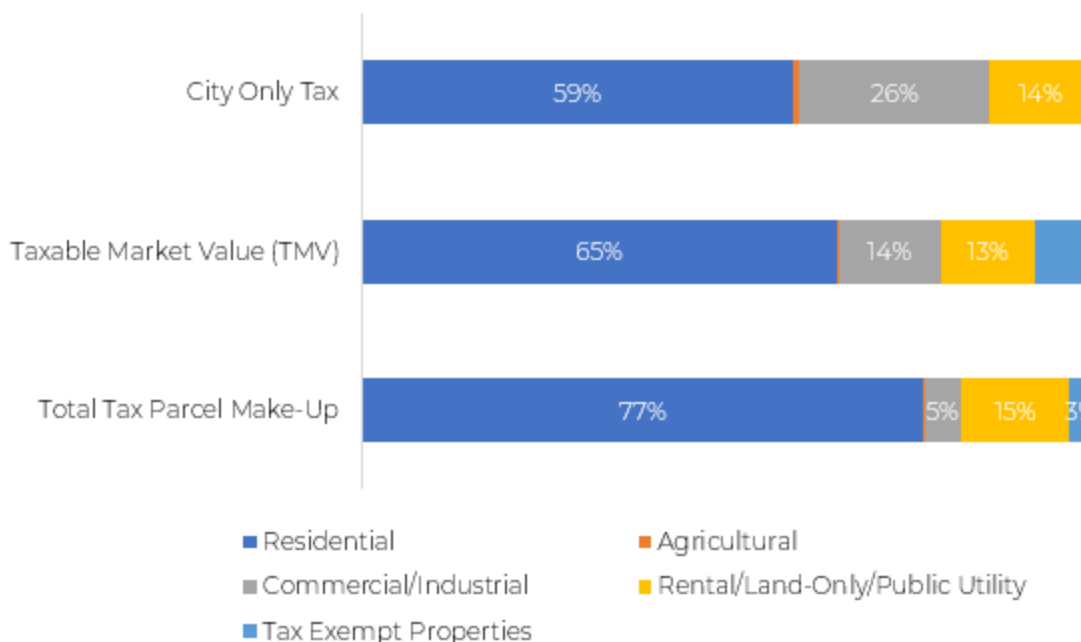
- 771 rental, multi unit, N-H, and /or low income parcels
- 15% of parcels
- 14% of city tax

TAX EXEMPT PROPERTIES

\$135,733,300 Total Estimated Market Value of tax exempt parcels

- Schools, medical clinics, and places of worship are just some of the tax exempt properties in North Mankato.
- There are a total of 192 tax exempt properties as of 2023.

Contributions By Classification



ANY CLASSIFICATIONS NOT REPRESENTED MAKE UP LESS THAN 2% OF CONTRIBUTIONS IN A GIVEN AREA.

TOP TEN OVERALL

TAXABLE MARKET VALUE - 2023

NAME OF ENTITY	CLASS	TAXABLE MARKET VALUE
WEST LAKE HOLDINGS LLC	COMMERCIAL	\$9,336,500
VISTA PRAIRIE AT MONARCH MEADOWS LLC	RENTAL/NH	\$9,081,300
MINNEGASCO INC	COMMERCIAL	\$8,058,400
OAK TERRACE ASSISTED LIVING OF NORTH MANKATO LLC	RENTAL/NH	\$7,516,600
COSTUMES GALORE INC	COMMERCIAL	\$6,984,100
OAK TERRACE SENIOR HOUSING OF NORTH MANKATO LLC	RENTAL/NH	\$6,970,000
TAYLOR CORPORATION	COMMERCIAL	\$6,929,300
KATO ENGINEERING CO	COMMERCIAL	\$6,898,800
THEUNINCK CRAIG	RENTAL/NH	\$6,539,800
THEUNINCK CRAIG	RENTAL/NH	\$5,959,000
TOTAL		\$74,273,800

4.82% OF THE TOTAL TMV IS FROM THE TOP TEN ENTITIES



TOP TEN OVERALL

CITY ONLY TAX - 2023

NAME OF ENTITY	CLASS	CITY TAX PAID
WEST LAKE HOLDINGS LLC	COMMERCIAL	\$88,960
MINNEGASCO INC	COMMERCIAL	\$77,091
COSTUMES GALORE INC	COMMERCIAL	\$66,455
TAYLOR CORPORATION	COMMERCIAL	\$65,931
KATO ENGINEERING CO	COMMERCIAL	\$65,639
VISTA PRAIRIE AT MONARCH MEADOWS LLC	RENTAL/NH	\$54,298
CORPORATE GRAPHICS INTERNATIONAL	COMMERCIAL	\$50,388
CARLSON WEDDING SERVICE	COMMERCIAL	\$49,463
WIS-PAK OF MANKATO INC	COMMERCIAL	\$45,969
ZIEGLER MANKATO LLC	COMMERCIAL	\$45,783
TOTAL PAID		\$609,979

7.04% OF THE CITY TAX IS PAID BY THE TOP TEN ENTITIES



TOP TEN

CLASS 1

(RESIDENTIAL HOMESTEAD) - 2023

NAME OF ENTITY	TMV	CITY TAX PAID
1545 Nottingham Dr	\$1,554,600	\$8,697
47 Deerwood Ct	\$1,289,800	\$7,114
622 Parkview Ct	\$1,136,100	\$6,195
22 Newcastle Ct	\$1,068,200	\$5,789
30 Otter Ct	\$968,800	\$5,195
30 Newcastle Ct	\$963,700	\$5,164
43 Deerwood Ct	\$933,100	\$4,981
634 Marie Ln	\$913,200	\$4,862
35 Deerwood Ct	\$905,000	\$4,813
17 Oriole Pl	\$877,100	\$4,646
TOTAL	\$10,609,600	\$57,458

1.12% OF CLASS 1 CITY TAXES ARE PAID BY THE TOP TEN ENTITIES

PROPERTY VALUE RANGE	NUMBER OF PARCELS	PERCENTAGE OF CLASS 1 PARCELS	Median City Tax Paid	AVERAGE CITY TAX PAID
\$0-99,999	118	2.9%	\$199	\$204
\$100,000-199,999	1209	30.1%	\$778	\$768
\$200,000-299,999	1529	38.0%	\$1,159	\$1,169
\$300,000-399,999	630	15.7%	\$1,615	\$1,636
\$400,000-499,999	319	7.9%	\$2,114	\$2,121
\$500,000+	221	5.5%	\$2,827	\$3,071

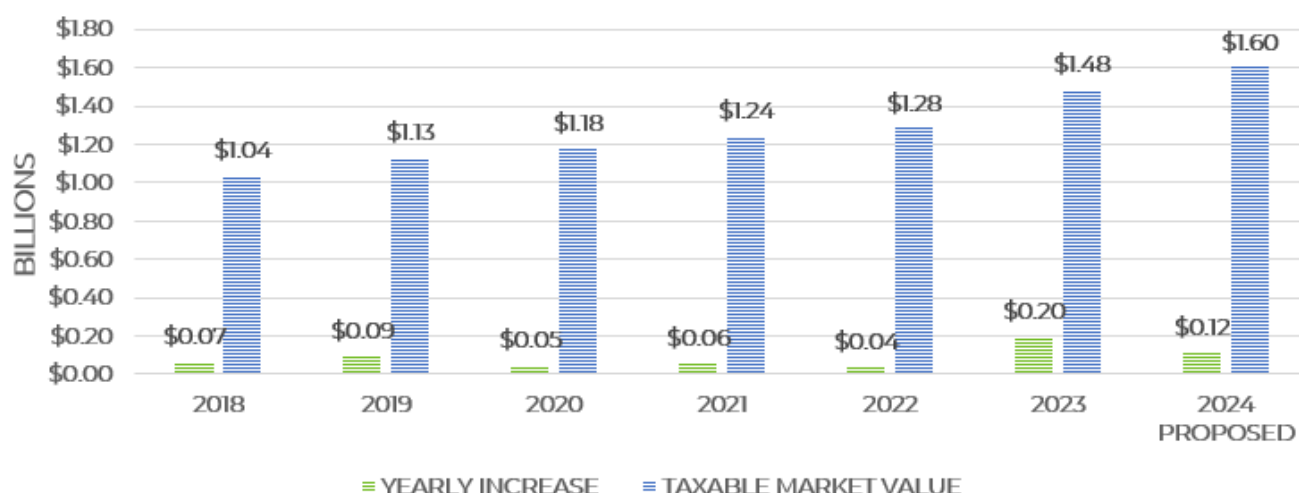
HISTORIC AND CITY COMPARISONS

TAXABLE MARKET VALUE

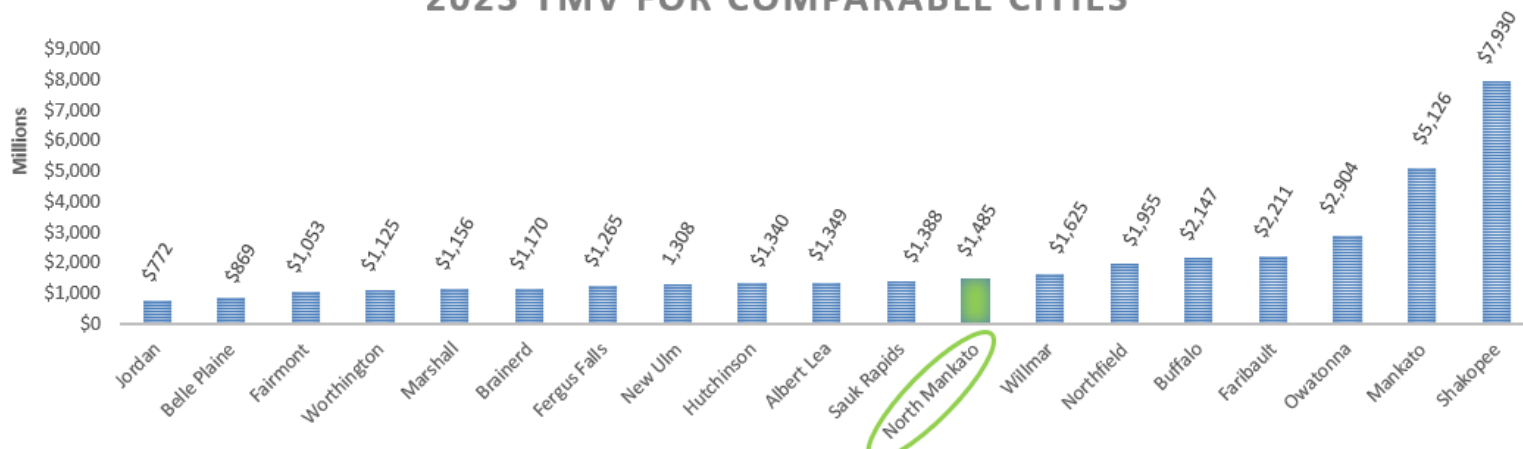
North Mankato est. TMV in 2024- **\$1,602,391,331**

A property's TMV is its estimated market value without any tax exemptions, deferrals, or value exclusions that apply. For example, many homeowners have a Homestead Market Value Exclusion, which reduces the amount of home value that is subject to be taxed. The below values are rounded to the millions.

HISTORIC TAXABLE MARKET VALUES



2023 TMV FOR COMPARABLE CITIES

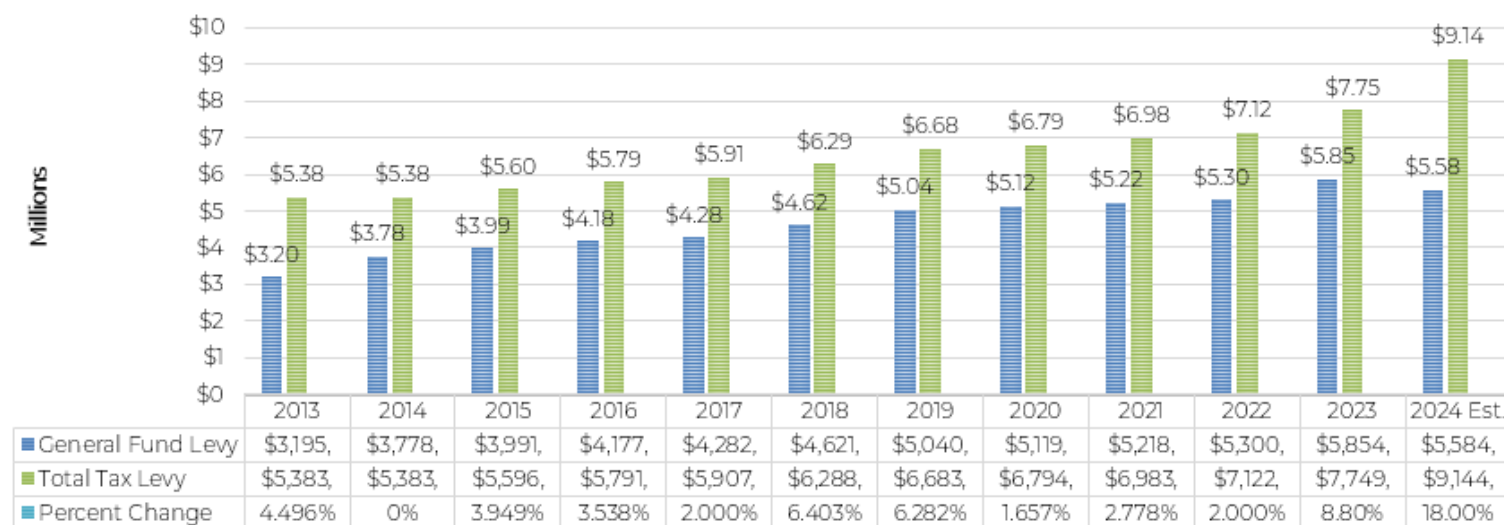


TAX LEVY

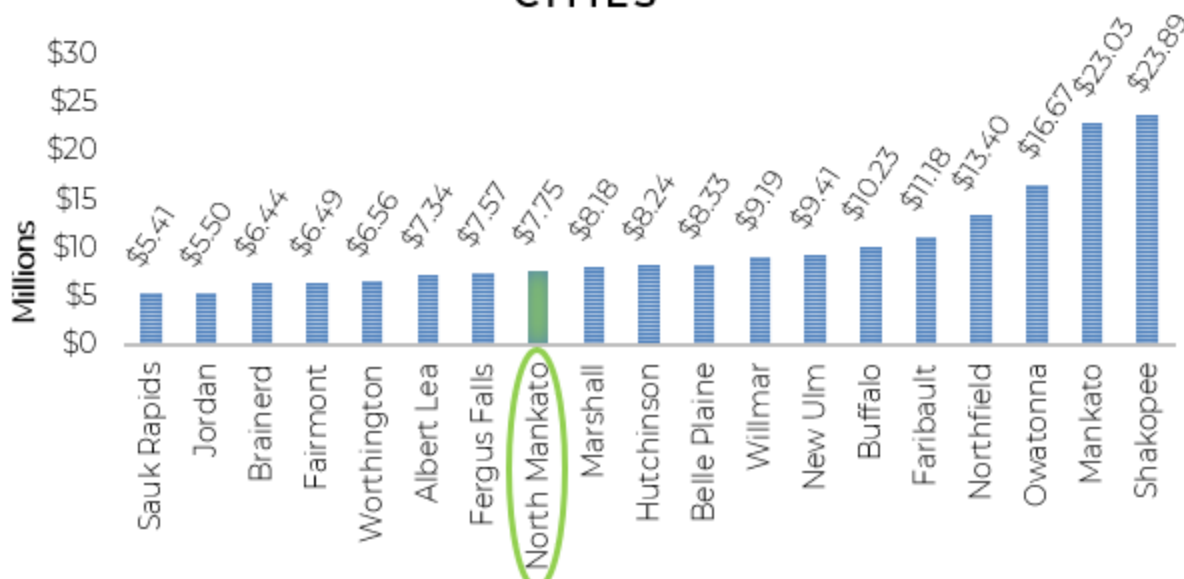
North Mankato proposed 2024 Levy - **\$9,144,077**

The City's Tax Levy is the amount of money that the City needs to collect from property owners to deliver an array of services for residents each year. This is split amongst the General Fund, the Debt Service Fund, and the Port Authority Fund. The Total and General Fund Levy are shown in the chart below. City levies include all levies spread across all city parcels.

HISTORIC LEVY GROWTH



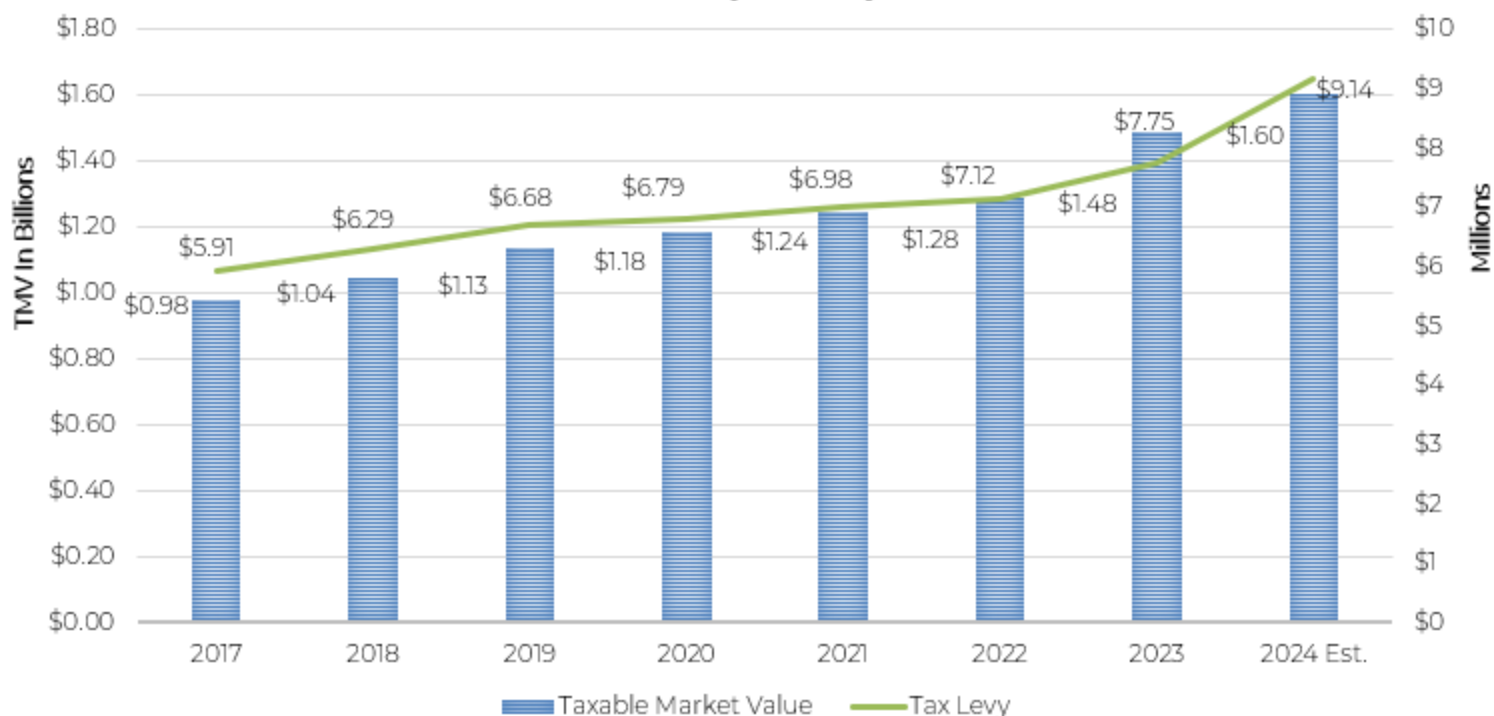
2023 TAX LEVIES FOR COMPARABLE CITIES



LEVY AND TMV

Taxing jurisdictions certify a levy equal to the amount of money they intend to raise from property taxes in the upcoming year. This levy is created based upon the priorities of the governing body. Based on the current taxing philosophy of North Mankato, the TMV and the City's levy go hand in hand. As a result, the City has captured new growth and continued to encourage City development.

LEVY TO TAX BASE (TMV) COMPARISON



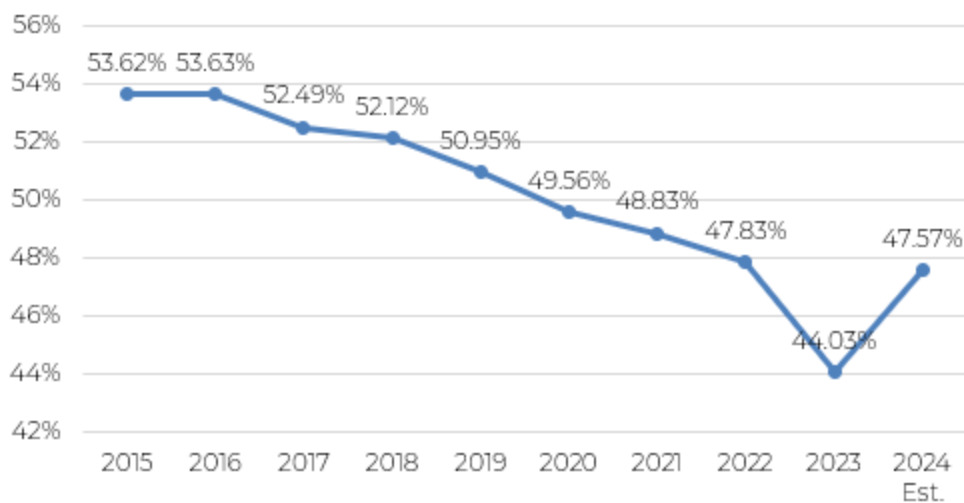
CITY TAX RATE

North Mankato est. city tax rate in 2024- **47.568%**

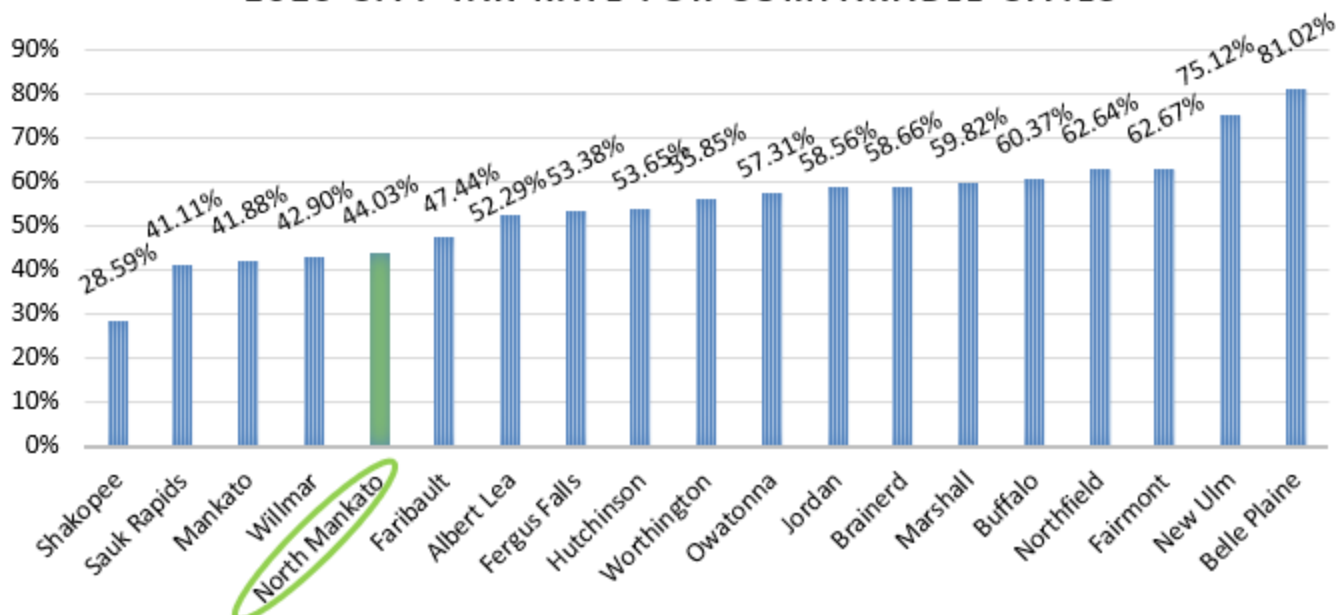
The Tax Rate represents the amount of taxes owed per \$10,000 of home value so that the levy can be raised and then used to invigorate and build up the City.

The City's Tax Rate has been on a general decline since 2013 when it was 54.57%.

Historic Tax Rate Changes



2023 CITY TAX RATE FOR COMPARABLE CITIES



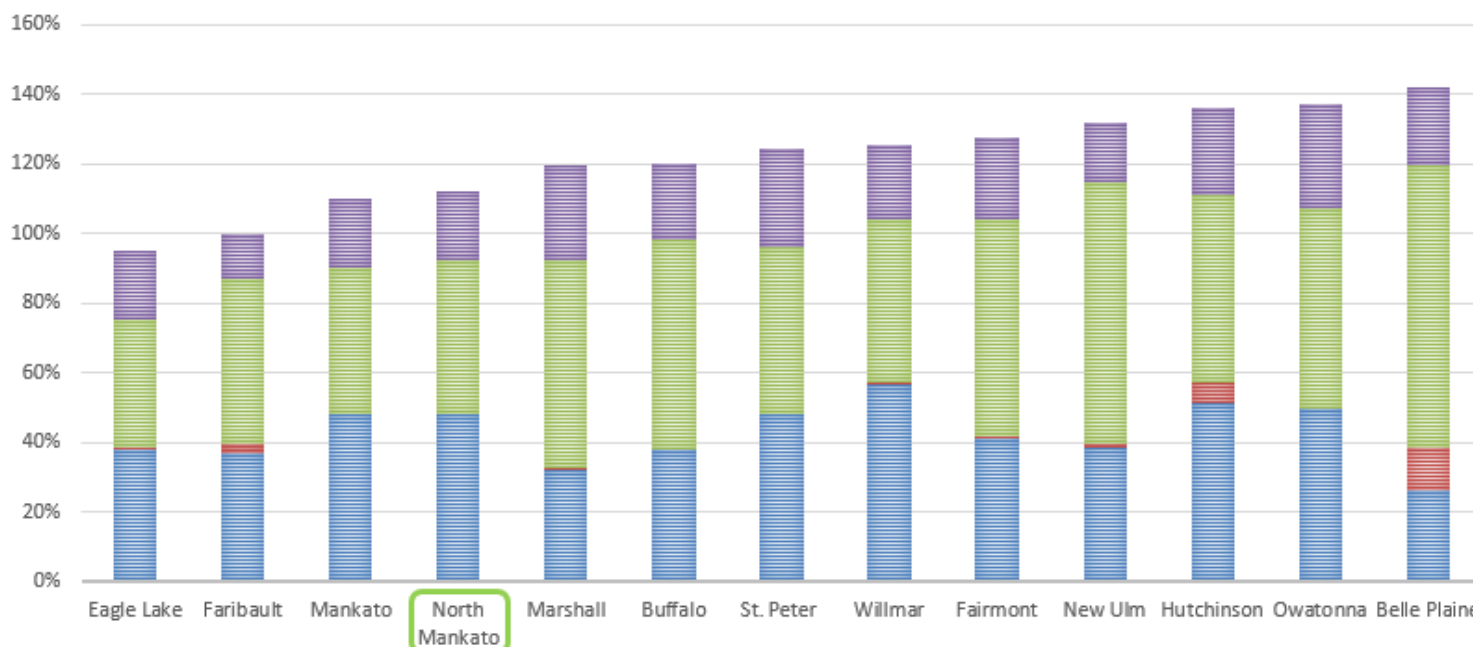
TOTAL RATE

North Mankato Total Tax Rate in 2023 - **112.237%**

A City's Total or Overlapping Tax Rate is a sum of all rates applied to the City. This includes city, county, and school tax rates. The category of "other" includes taxes like HRA, Region 9, and additional outlying rates.

2023 TOTAL TAX RATES FOR COMPARABLE CITIES

■ COUNTY ■ OTHER ■ CITY ■ SCHOOL



Tax Rate	Eagle Lake	Faribault	Mankato	North Mankato	Marshall	Buffalo	St. Peter	Willmar	Fairmont	New Ulm	Hutchinson	Owatonna	Belle Plaine
COUNTY	38.24	36.95	48.128	48.128	32.374	37.848	48.128	56.51	41.22	38.7957	51.351	50.055	26.5781
OTHER	0.155	2.762	0.367	0.367	0.139	0	0.367	1.03	0.38	1.1046	6.17	0	11.9394
CITY	36.932	47.444	41.882	44.028	59.82	60.371	47.727	46.58	62.67	75.1202	53.653	57.305	81.0187
SCHOOL	19.673	12.888	19.714	19.714	27.389	21.767	28.413	21.2	23.21	17.1624	24.823	29.88	22.5687
TOTAL	95	100.044	110.091	112.237	119.722	119.987	124.635	125.32	127.48	132.1829	135.997	137.24	142.1049



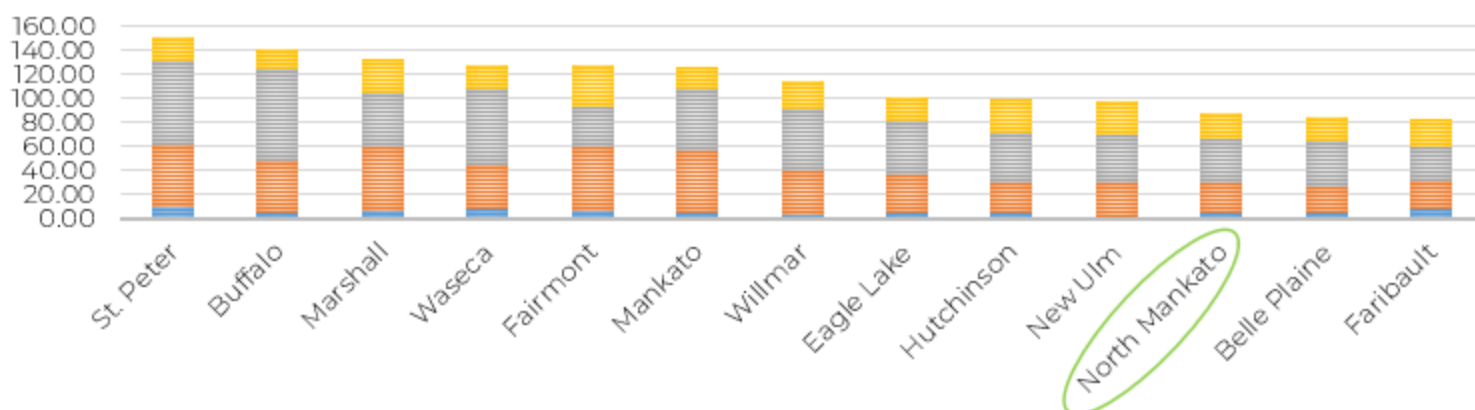
UTILITY RATES

North Mankato Avg. Monthly Utility in 2023 - **\$87.36***

Following the North Mankato Strategic Plan, utilities fall under Well Planned & Maintained Infrastructure. Primarily managed by the Public Works departments, City provided utility rates include storm, water, and sewer rates. Solid waste and recycling rates have also been included, but collection may come from independent carriers.

* This amount is calculated based on 5K water usage.

2023 UTILITY RATES FOR COMPARABLE CITIES



City	Storm	Water	Sewer	Garbage and Recycling	Total
St. Peter	9.53	50.75	71.50	18.75	150.53
Buffalo	5.00	42.00	77.40	17.50	141.90
Marshall	5.80	53.15	45.85	28.09	132.89
Waseca	7.00	36.94	63.70	20.36	128.00
Fairmont	5.76	52.93	34.37	34.72	127.78
Mankato	4.89	51.42	51.63	18.92	126.86
Willmar	2.62	36.44	52.72	22.00	113.78
Eagle Lake	3.63	32.87	45.03	20.26	101.79
Hutchinson	5.00	24.00	42.10	29.02	100.12
New Ulm	0.00	29.00	41.10	28.09	98.19
North Mankato	4.25	25.15	35.96	22.00	87.36
Belle Plaine	3.83	21.77	38.69	19.89	84.18
Faribault	7.48	23.05	28.41	23.84	82.78



HISTORICAL PROPERTY TAX AND VALUES



HOW PROPERTY TAXES EFFECT RESIDENTS AND BUSINESSES



Government spending and revenues will affect tax bills the most. If spending increases or revenues from other sources such as state aid decrease, your property taxes may increase. Conversely, if spending decreases or revenue from other sources increases, there may see a decrease in the property tax bill. Since property taxes are levy-based, it is possible to have the property tax increase while the market value decreases and vice versa. A property tax rate is calculated by dividing the property tax levy by the total taxable market value in a city, township, county, or school district.



*Single Family / Owner Occupied
One Story Brick /2,126 Square Feet on 0.62 Acres
Four Bedrooms / 2 Full Bath; 1 3/4 Bath; 1 1/2 Bath; 1 Whirlpool Tub*

	2022	2023	2024 Est.	2023/2024 +/-
Taxable Market Value	\$501,600	\$537,900	\$602,300	\$64,400
County Tax Amount	2,792	2,633	-	-
City Tax Amount	2,401	2,410	2,987	577
School District Amount	2,006	1,980	-	-
Other	21	20	-	-
Special Assessments	21	21	-	-
Total Taxes	\$7,242	\$7,064	TBD	TBD

RESIDENTIAL



*Single Family / Owner Occupied
One Story Townhome / 2,156 Square Feet on 0.39 Acres
Four Bedrooms / 1 Full Bath; 2 3/4 Bath*

	2022	2023	2024 Est.	2023/2024 +/-
Taxable Market Value	\$377,000	\$434,600	\$487,300	\$52,700
County Tax Amount	2,078	2,091	-	-
City Tax Amount	1,788	1,913	2,318	405
School District Amount	1,500	1,585	-	-
Other	16	16	-	-
Special Assessments	21	21	-	-
Total Taxes	\$5,403	\$5,626	TBD	TBD

RESIDENTIAL



*Single Family / Owner Occupied
Two Story Frame / 2,052 Square Feet on .24 Acres
Four Bedrooms / 1 Full Bath; 1 3/4 Bath; 1 1/2 Bath*

	2022	2023	2024 Est.	2023/2024 +/-
Taxable Market Value	\$251,800	\$304,400	\$344,600	\$40,200
County Tax Amount	1,319	1,417	-	-
City Tax Amount	1,135	1,297	1,610	313
School District Amount	975	1,091	-	-
Other	10	11	-	-
Special Assessments	21	21	-	-
Total Taxes	\$3,460	\$3,837	TBD	TBD

COMMERCIAL / INDUSTRIAL



*Single Story / 14,615 Square Feet on 1.59 Acres
Store / Large Retail*

	2022	2023	2024 Est.	2023/2024 +/-
Taxable Market Value	\$1,285,900	\$1,454,400	\$1,454,400	\$0
County Tax Amount	13,885	13,629	-	-
City Tax Amount	11,943	12,477	13,480	1,003
General State Tax	8,516	8,610	-	-
School District Amount	7,837	8,015	-	-
Other	107	105	-	-
Special Assessments	819	800	-	-
Total Taxes	\$ 43,107	\$ 43,636	TBD	TBD

COMMERCIAL / INDUSTRIAL



*Single Story / 2,442 Square Feet on 0.267 Acres
Bar / Lounge*

	2022	2023	2024 Est.	2023/2024 +/-
Taxable Market Value	\$210,900	\$309,100	\$321,100	12,000
County Tax Amount	1,929	2,612	-	-
City Tax Amount	1,659	2,392	2,698	306
General State Tax	714	1,050	-	-
School District Amount	1,146	1,587	-	-
Other	15	20	-	-
Special Assessments	63	63	-	-
Total Taxes	\$5,525	\$7,724	TBD	TBD

COMMERCIAL / INDUSTRIAL



*23,970 Square Feet on 1.86 Acres
One Office / Two Warehouses*

	2022	2023	2024 Est.	2023/2024 +/-
Taxable Market Value	\$734,900	\$945,400	\$945,400	\$0
County Tax Amount	7,757	8,732	-	-
City Tax Amount	6,672	7,995	8,637	642
General State Tax	4,517	5,250	-	-
School District Amount	4,407	5,158	-	-
Other	61	67	-	-
Special Assessments	126	126	-	-
Total Taxes	\$23,539	\$27,328	TBD	TBD

COMMERCIAL / INDUSTRIAL



*Two Story / 88,652 Square Feet on 9.2 Acres
Office / Manufacturing (Light) / Warehouse*

	2022	2023	2024 Est.	2023/2024 +/-
Taxable Market Value	\$3,521,700	\$3,878,100	\$4,629,400	\$751,300
County Tax Amount	38,752	36,939	-	-
City Tax Amount	33,332	33,819	43,686	9,867
General State Tax	24,743	24,608	-	-
School District Amount	21,753	21,617	-	-
Other	301	283	-	-
Special Assessments	4,983	4,714	-	-
Total Taxes	\$123,864	\$121,980	TBD	TBD



VISION - *North Mankato is a growing and safe community with outstanding recreational assets, well maintained infrastructure, vibrant business districts and neighborhoods, and provides residents with an excellent quality of life that cultivates economic development and diversity.*

MISSION - *Deliver citizens a clean and safe community through responsive, financially sound municipal services that balance resources and responsibilities to maintain public infrastructure, pursue economic development, communicate with the public, manage future growth, and fulfill public trust.*

Values

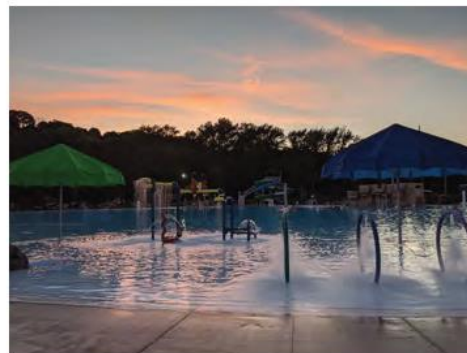
ADAPTABILITY: The ability to innovate and adjust means and methods to resolve changing situations.

RESPONSIBILITY: Taking initiative, ownership and being accountable for performance.

LEADERSHIP: Achieving a common goal through empathy and by motivating others.

INTEGRITY: Being honest, impartial and aligning actions with principles.

EXCELLENCE: Going above and beyond expectations.



VISION - *North Mankato is a growing and safe community with outstanding recreational assets, well maintained infrastructure, vibrant business districts and neighborhoods, and provides residents with an excellent quality of life that cultivates economic development and diversity.*

MISSION - *Deliver citizens a clean and safe community through responsive, financially sound municipal services that balance resources and responsibilities to maintain public infrastructure, pursue economic development, communicate with the public, manage future growth, and fulfill public trust.*

Goals

**Outstanding
Recreational
Assets**

**Well Planned &
Maintained
Infrastructure**

Safe Community

**Growing & Vibrant
Business, Industrial
& Residential
Districts**

**Excellent
Quality of Life**

Strategic Program Areas

**Library, Parks &
Trails**

**Public Works &
Infrastructure**

Public Safety

**Community &
Economic
Development**

**Legislation,
Administration &
Public Engagement**

Program Action Areas

- Taylor Library
- Caswell Sports
- Parks Department
- Spring Lake Park Swim Facility
- Culture & Recreation Events

- Street Department
- Maintenance & Equipment
- Water
- Wastewater
- Solid Waste & Recycling
- Storm Water
- Capital Improvement

- Police Department
- Fire Department
- Emergency Management
- Flood Control

- Community Development & Planning
- Planning Commission
- Port Authority

- City Council
- City Clerk
- Public Information Office
- Finance & Utility Billing





Strategic Program Areas

Outstanding Recreational Assets

Well Planned & Maintained Infrastructure

Safe Community

Growing & Vibrant Business, Industrial & Residential Districts

Excellent Quality of Life

Strategic Goals

- Provide a comprehensive and balanced system of parks, green ways, and trails that meet the high standards set by the City of North Mankato and government to enhance resident and visitor quality of life.
- The North Mankato Taylor Library will continue to be the library of choice for citizens and regional patrons.
- Continue role as leader of programming and events in the region.
- Caswell Park will be the premier softball complex in Minnesota and the Midwest United States for adult and girls fast pitch softball tournaments.
- Caswell Park will be the Mankato/North Mankato MSA's premier site for adult softball.
- Caswell will serve as a regional and state tourism destination for the state of Minnesota.
- Caswell will provide the highest level of turf facility maintenance for all softball facilities in Minnesota and the Upper Midwest United States.
- Establish a Culture, Recreation and Quality of Life Department.

- Provide safe and clean streets with good driving surfaces for North Mankato residents.
- Identify replacement plan for public works facility by end of 2022.
- Implement energy conservation measures across all public works department.
- Purchase and maintain a fleet of vehicles to meet the city's infrastructure and recreational demands.
- Install and maintain appropriate infrastructure to collect and convey waste to the Mankato Wastewater and Water Recovery Treatment Center.
- Provide clean drinking water to homes and businesses in North Mankato.
- Provide for the weekly collection of solid waste from residences in North Mankato.
- Provide for the bi-weekly collection of recycling from residences in North Mankato.
- Provide for the protection of life and property through oversight of North Mankato's storm water utility and flood control system.

- Protect & preserve the life of safety of property and residents.
- Continue public outreach, community policing approach, and coordination with outside agencies.
- Advance emergency preparedness.
- Continue staff development, wellness, and training efforts.



- Ensure North Mankato continues to be a place of growth and choice for residential, commercial, and industrial uses.
- Provide a supportive community for business recruitment, retention, and expansion for business growth and health in North Mankato.

- Provide secure, accurate, and well managed elections.
- Utilize new technology for better access and storage of records, service to customers, and human resource functions.
- Inform and educate the public and organizational partners of activities and services of North Mankato.
- Deploy best practice and meet Council expectations for financial targets and management of the City's finances.
- Coordinate the activities of several departments into one division related to Culture, Recreation and Quality of Life initiatives and promote events for the enjoyment of residents and visitors.
- Provide an exceptional user experience and offer a place of belonging for residents and visitors.
- Invest in local partnerships with sponsors to enhance the quality of life amenities for residents and visitors.
- Develop partnerships, programming and planning, and obtain funding for the Caswell Indoor Recreation Facility

To: Mayor and Council Members
From: Jessica Ryan, Finance Director
Subject: 2024 Levy Discussion
Date: August 21, 2023
Cc:

Overview

At the August 7th council work session, we presented Council with the requests from the departments that would significantly affect the 2024 levy. When all of this year's requests are included, we would need a levy increase of 44.04%, increasing the overall tax rate by 14.038%. Per Council direction, we have categorized each request into Urgent, High, Medium, and Low priorities.

Levy Summary

Per department recommendations, the Urgent and High priority requests would affect the overall levy with an increase of 18%, which is a 3.54% tax rate increase. If you include the medium priority requests, the levy will increase by 29.9%, increasing the tax rate by 8.355%. The only difference between the All Requests section and the section including the Low Priorities is the removal of the shelter by the horse show area at Wheeler Park.

These scenarios and priority levels are department recommendations, and each item can still be moved based on council recommendations.

Summary

In summary, the staff is providing Council with a view of department requests and the impact on the levy. Council now has the opportunity to determine the merit of each request and guide the development of the budget into something that answers the needs of the residents and allows staff to provide excellent service to North Mankato. The recommendation from the Council at tonight's meeting is not a final decision. Items can still be changed as we review each department. Tonight's discussion aims to examine the levy and discuss the maximum levy the Council will need to set by September 30th. That does not mean that we need to stay at that rate; it simply means we cannot set anything higher than that amount. We can always decrease the final levy following the finalization of the budget discussion.

Sincerely,

Jessica Ryan

Requests	Department	Requested Amount	Affect of General Levy	Affect on Capital Levy	Affect on Utility Funds	Urgent	High	Medium	Low	Remove	Notes
Position: IT Coordinator	Gen Gov	\$ 143,425.00	\$ (93,425.00)					\$ 143,425.00	\$ 143,425.00		They will keep full contract with Pantheon if no IT Coordinator is hired
Position: Environmental Tech	Street/Storm Water	\$ 117,308.00	\$ (58,654.00)		\$ (58,654.00)		\$ 117,308.00	\$ 117,308.00	\$ 117,308.00		
Position: PW Building Maintenance Tech	Street/Storm Water	\$ 79,182.00	\$ (39,591.00)		\$ (39,591.00)				\$ 79,182.00		
Position: Parks Superintendent	Parks	\$ 119,090.00	\$ (119,090.00)					\$ 119,090.00	\$ 119,090.00		
Position: Park Maintenance Worker	Parks	\$ 58,673.00	\$ (58,673.00)						\$ 58,673.00		
Position: Street Maintenance Worker	Streets	\$ 84,369.00	\$ (84,369.00)						\$ 84,369.00		
Position: Drug Tas Force Agent	Police	\$ 140,090.00	\$ (117,090.00)					\$ 140,090.00	\$ 140,090.00		Use current DTF contribution towards offsetting employee cost
Position: FT Admin Support Specialist	Police	\$ 107,953.00	\$ (69,393.00)				\$ 107,953.00	\$ 107,953.00	\$ 107,953.00		If they don't move to full time position, they will keep their part time position
Increase Pay for Crossing Guards	Police	\$ 32,000.00	\$ (12,000.00)				\$ 32,000.00	\$ 32,000.00	\$ 32,000.00		
Increase to police uniforms, training, hiring fees for new officers	Police	\$ 110,344.00	\$ (56,000.00)				\$ 110,344.00	\$ 110,344.00	\$ 110,344.00		
Police - Heat in evidence room	Police	\$ 3,000.00		\$ (3,000.00)			\$ 3,000.00	\$ 3,000.00	\$ 3,000.00		
Replace Fire Pump Truck	Fire	\$ 800,000.00		\$ (800,000.00)			\$ 800,000.00	\$ 800,000.00	\$ 800,000.00		Bond?
ReRoof Fire Station 2	Fire	\$ 160,000.00		\$ (160,000.00)			\$ 160,000.00	\$ 160,000.00	\$ 160,000.00		
Increase to Sealcoating Oil	Streets	\$ 155,500.00	\$ (29,000.00)			\$ 155,500.00	\$ 155,500.00	\$ 155,500.00	\$ 155,500.00		
Increase Street Mill & Overlay	Streets	\$ 1,120,000.00		**579,500 requested in 2023		\$ 645,000.00	\$ 645,000.00	\$ 830,000.00	\$ 1,120,000.00		Urgent: Green Acres, La Mar, Castle, Caswell Lot, 2 Allys, Engineering Medium: Haughton Low: Sherman, Sharon
Used Plow	Streets	\$ 90,000.00		\$ (90,000.00)			\$ 90,000.00	\$ 90,000.00	\$ 90,000.00		
General Equipment	Streets	\$ 100,000.00		\$ (100,000.00)		\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00		
2 Street Trucks	Streets	\$ 120,000.00		\$ (70,000.00)		\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00		Usually budget for 1, requesting 2
Chipper Replacement	Streets/Parks	\$ 150,000.00		\$ (150,000.00)				\$ 150,000.00	\$ 150,000.00		
Asphalt Roller Replacement	Streets	\$ 50,000.00		\$ (50,000.00)				\$ 50,000.00	\$ 50,000.00		
Leaf Collector Replacement	Streets	\$ 125,000.00		\$ (125,000.00)				\$ 125,000.00	\$ 125,000.00		
Parks Mower	Parks	\$ 90,000.00		\$ (4,000.00)			\$ 90,000.00	\$ 90,000.00	\$ 90,000.00		Normal yearly request
2 UTVs	Parks	\$ 80,000.00		\$ (80,000.00)			\$ 40,000.00	\$ 80,000.00	\$ 80,000.00		
Parks Truck	Parks	\$ 60,000.00		\$ (10,000.00)		\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00		
Wheeler Park Parking Lot	Parks	\$ 65,000.00		\$ (65,000.00)			\$ 65,000.00	\$ 65,000.00	\$ 65,000.00		
Wheeler Park Bandshell	Parks	\$ 125,000.00		\$ (125,000.00)					\$ 125,000.00		
Wheeler Park Shelter By Horse Shoe Area	Parks	\$ 100,000.00		\$ (100,000.00)						\$ 100,000.00	
Pave Old Belgrade Hill Trail	Parks	\$ 40,000.00		\$ (40,000.00)					\$ 40,000.00		
North Ridge Park Shelter	Parks	\$ 125,000.00		\$ (125,000.00)					\$ 125,000.00		
Spring Lake Park Shelter 1 Renovation	Parks	\$ 30,000.00		\$ (30,000.00)			\$ 30,000.00	\$ 30,000.00	\$ 30,000.00		
Spring Lake Park Bridge Replacements (2)	Parks	\$ 80,000.00		\$ (80,000.00)			\$ 40,000.00	\$ 40,000.00	\$ 80,000.00		
Spring Lake Park Fountain and Pump	Parks	\$ 30,000.00		\$ (30,000.00)					\$ 30,000.00		
Benson Park Capital Improvement Project	Parks	\$ 150,000.00		\$ (150,000.00)					\$ 150,000.00		
Groomer for Caswell Fields	Caswell	\$ 48,000.00		\$ (48,000.00)				\$ 48,000.00	\$ 48,000.00		
Increase City Event Expenses	Unallocated	\$ 25,000.00	\$ (10,000.00)					\$ 25,000.00	\$ 25,000.00		Increase in expenses for events such as Symphony on the Priaire, Anthony Ford, Movies in the Parks, Etc
Park Signs	Parks	\$ 20,000.00	\$ (15,000.00)					\$ 20,000.00	\$ 20,000.00		Finish replacement process started in 2023
Upgrade locks/cameras on park shelters	Parks	\$ 6,000.00	\$ (6,000.00)					\$ 6,000.00	\$ 6,000.00		
Library Electronics	Library	\$ 10,000.00	\$ (10,000.00)				\$ 10,000.00	\$ 10,000.00	\$ 10,000.00		
Donation towards Fireworks	Unallocated	\$ 10,000.00	\$ (10,000.00)						\$ 10,000.00		Business Association would like to bring Fireworks back - this would be City contribution
Bus Transit Increases	Unallocated	\$ 129,696.00	\$ (33,696.00)			\$ 129,696.00	\$ 129,696.00	\$ 129,696.00	\$ 129,696.00		
ASA Upgrades	Unallocated	\$ 211,000.00	\$ (98,798.00)			\$ 211,000.00	\$ 211,000.00	\$ 211,000.00	\$ 211,000.00		Fund repairs that were presented to Council
PA System for Pool	Pool	\$ 7,000.00		\$ (7,000.00)				\$ 7,000.00	\$ 7,000.00		
Repair Leak in Pool Liner	Pool	\$ 50,000.00		\$ (50,000.00)			\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
		\$ 5,357,630.00	\$ (920,779.00)	\$ (2,492,000.00)	\$ (98,245.00)	\$ 1,421,196.00	\$ 3,166,801.00	\$ 4,225,406.00	\$ 5,257,630.00	\$ 100,000.00	
						General	759,285	553,238	192,633	-	
						Capital	2,787,000	1,465,000	900,000	100,000	

**The below items are here to be evaluated. They will not affect the levy options, but will affect the utility funds when we review them.

<u>Requests</u>	<u>Department</u>	<u>Requested Amount</u>	<u>Affect of General Levy</u>	<u>Affect on Capital Levy</u>	<u>Affect on Utility Funds</u>	<u>Urgent</u>	<u>High</u>	<u>Medium</u>	<u>Low</u>	<u>Remove</u>	<u>Notes</u>
2 Water Trucks	Water	\$ 120,000.00			\$ (70,000.00)	\$ 60,000.00	\$ 60,000.00	\$ 120,000.00	\$ 120,000.00		Usually budget for 1, requesting 2
Leak Locator	Water	\$ 22,000.00			\$ (22,000.00)		\$ 22,000.00	\$ 22,000.00	\$ 22,000.00		
ReRoof Water Plant 2	Water	\$ 125,000.00			\$ (125,000.00)				\$ 125,000.00		
Sewer Truck	Sewer	\$ 60,000.00			\$ (25,000.00)		\$ 60,000.00	\$ 60,000.00	\$ 60,000.00		Increase normal budget amount from \$35k to \$60k
Storm Water LS Repairs	Storm Water	\$ 100,000.00			\$ (100,000.00)	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00		
Drainage from Splashpad (Irrigation)	Water	\$ 175,000.00			\$ (175,000.00)	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00		
Truck for MS4 employee	Storm Water	\$ 60,000.00			\$ (60,000.00)		\$ 60,000.00	\$ 60,000.00	\$ 60,000.00		

2024 Levy Options

	Final 2023 Levy	All Requests 14.038% Tax		Urgent & High Needs 3.54% Tax Rate		Urgent, High & Medium 8.355% Tax		Urgent, High, Medium & Low 13.518% Tax	
		Rate Increase	+/- 2023	Increase	+/- 2023	Rate Increase	+/- 2023	Rate Increase	+/- 2023
General Fund Levy	5,724,621	\$6,137,315	\$412,694	\$5,584,077	(\$270,864)	\$5,944,682	\$89,741	\$6,137,315	\$282,374
Port Authority	75,000	75,000	\$0	75,000	-	75,000	-	75,000	-
Debt Service	1,350,405	1,527,666	\$177,261	1,527,666	177,261	1,527,666	177,261	1,527,666	177,261
Tax Abatement	469,334	472,334	\$3,000	472,334	3,000	472,334	3,000	472,334	3,000
Capital Levy		2,950,000	2,950,000	1,485,000	1,485,000	2,050,000	2,050,000	2,850,000	2,850,000
Additional Police Levy	108,309								
Additional General Fund Levy	22,011								
Total Tax Levy	7,749,680	\$11,162,315		\$9,144,077		\$10,069,682		\$11,062,315	
Levy Increase		\$3,412,635		\$1,394,397		\$2,320,002		\$3,312,635	
% Increase	8.80%	44.04%		18.0%		29.9%		42.7%	
Tax Rate & Est. Tax									
Rate	44.028%	58.066%		47.568%		52.383%		57.546%	
Tax Rate Change	-3.805%	14.038%		3.540%		8.355%		13.518%	