



# Preliminary 2024 Property Tax Levy

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PRESENTED TO ARDEN HILLS CITY COUNCIL  
SEPTEMBER 11, 2023

# Preliminary Levy Hearing

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## Background:

- Need to set preliminary tax levy payable in 2024
  - Set maximum levy tonight, can be decreased before final approval
- Significant drivers in 2024 budget:
  - Lake Johanna Fire Department – additional staffing
  - Ramsey County Sheriff's Office – loss of Falcon Heights in contract, union contracts and administrative fees
  - Wage and benefit increases
  - Other increases (NYFS contract, property insurance, etc.)
- To completely balance the budget, a 16 percent levy increase would be needed
- Based on 2023 rates, Arden Hills has the lowest property tax rate in the County (excluding North Oaks as they have a unique situation with their HOA)

# General Fund Budget Summary 12.92% Levy

	2021 Actual	2022 Actual	7/31/2023 YTD	2023 Budget	2024 Budget	\$ Increase (Decrease)	% Increase (Decrease)
<b>REVENUES</b>							
Taxes	\$ 3,763,386	\$ 3,829,079	\$ 2,094,193	\$ 4,078,390	\$ 4,695,960	\$ 617,570	15.1%
Special assessments	4,514	-	-	3,350	3,090	(260)	-7.8%
Licenses and permits	752,531	830,864	288,802	511,730	552,020	40,290	7.9%
Intergovernmental	160,279	174,405	106,355	171,370	175,970	4,600	2.7%
Charges for services	605,738	615,878	235,101	525,550	489,490	(36,060)	-6.9%
Fines & forfeits	21,500	22,662	13,081	23,190	19,250	(3,940)	-17.0%
Investment earnings	(13,315)	(186,632)	49,985	42,500	50,000	7,500	17.6%
Miscellaneous	9,958	215,708	4,143	13,340	10,920	(2,420)	-18.1%
<b>TOTAL REVENUES</b>	<b>\$ 5,304,591</b>	<b>\$ 5,501,964</b>	<b>\$ 2,791,660</b>	<b>\$ 5,369,420</b>	<b>\$ 5,996,700</b>	<b>\$ 627,280</b>	<b>11.7%</b>
<b>EXPENDITURES</b>							
General government	\$ 1,014,278	\$ 1,077,032	\$ 739,771	\$ 1,295,230	\$ 1,481,770	\$ 186,540	14.4%
Public safety	2,708,136	2,546,049	1,838,469	2,655,800	2,999,840	344,040	13.0%
Public works	618,235	914,150	396,119	796,430	847,930	51,500	6.5%
Parks & recreation	626,626	665,777	383,001	782,720	835,420	52,700	6.7%
Transfers out	548,000	102,540	171,140	-	50,000	50,000	N/A
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,515,275</b>	<b>\$ 5,305,549</b>	<b>\$ 3,528,499</b>	<b>\$ 5,530,180</b>	<b>\$ 6,214,960</b>	<b>\$ 684,780</b>	<b>12.4%</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (210,684)</b>	<b>\$ 196,415</b>	<b>\$ (736,840)</b>	<b>\$ (160,760)</b>	<b>\$ (218,260)</b>	<b>\$ (57,500)</b>	<b>35.8%</b>

# Proposed Tax Levy

FUND	7.0%	9.0%	11.0%	12.9%
General	\$ 4,428,990	\$ 4,523,360	\$ 4,617,730	\$ 4,708,450
Economic Development	100,000	100,000	100,000	100,000
Equipment/Building Replacement	270,000	270,000	270,000	270,000
Capital Improvement (PIR)	250,000	250,000	250,000	250,000
Public Safety Capital	-	-	-	-
<b>TOTAL</b>	<b>\$ 5,048,990</b>	<b>\$ 5,143,360</b>	<b>\$ 5,237,730</b>	<b>\$ 5,328,450</b>

# Budget Assumptions

<u>Description</u>	<u>Effect on Levy</u>
Decrease in antenna rental (Sprint/T-Mobile merger)	30,780
Increase in building permits fees	(23,680)
Transfer to Cable Fund	50,000
Increase in RamCo Sheriff	155,480
Increase in LJFD	162,330
Council retreat/strategic planning	10,000
NYFS contract	23,300
Election services	8,950
Property insurance	20,250
Sand & salt for roads	10,000
Pavement condition survey	20,000
Step increases and position changes	90,470
COLA adjustments	45,720
Insurance/Work comp benefits	32,460
Net changes in other GF budget areas	(26,290)
	<u>609,770</u>

# Personnel FTE's

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	2023 Budget	2024 Request
General Government	6.12	6.36
Public Safety	2.79	2.80
Public Works	12.40	12.38
Parks & Recreation	4.32	4.46
Total	25.63	26.00

The Communications Coordinator position was changed from a part time to a full time position and there were some small allocation changes.

# Tax Levy History

YEAR	TAX LEVY	% CHANGE	TAX RATE	% CHANGE
2014	3,257,456	2.1%	27.950%	0.1%
2015	3,359,775	3.1%	27.294%	-2.3%
2016	3,478,775	3.5%	26.539%	-2.8%
2017	3,641,290	4.7%	27.211%	2.5%
2018	3,786,942	4.0%	25.532%	-6.2%
2019	3,938,420	4.0%	25.555%	0.1%
2020	4,135,340	5.0%	25.414%	-0.6%
2021	4,280,080	3.5%	25.089%	-1.3%
2022	4,472,680	4.5%	26.544%	5.8%
2023	4,718,680	5.50%	23.632%	-11.0%

# Effect on Median Value Home (City Tax only) 7.0% Increase

Value of Property for Pay 2023	Value of Property for Pay 2024	Taxable Value for Pay 2024	<u>CITY TAX</u>		\$ CHANGE	% CHANGE
			Pay 2023	Pay 2024		
\$ 180,000	\$ 190,300	\$ 170,200	\$ 376	\$ 395	\$ 19	5.0%
\$ 270,000	\$ 285,500	\$ 274,000	\$ 608	\$ 635	\$ 28	4.6%
\$ 443,550	\$ 469,000	\$ 469,000	\$ 1,048	\$ 1,087	\$ 39	3.7%
\$ 500,000	\$ 528,700	\$ 528,700	\$ 1,182	\$ 1,242	\$ 61	5.2%
\$ 575,000	\$ 608,000	\$ 608,000	\$ 1,403	\$ 1,472	\$ 69	4.9%
\$ 650,000	\$ 687,300	\$ 687,300	\$ 1,625	\$ 1,702	\$ 77	4.8%



# Effect on Median Value Home (City Tax only) 9.0% Increase

Value of Property for Pay 2023	Value of Property for Pay 2024	Taxable Value for Pay 2024	<u>CITY TAX</u>		\$ CHANGE	% CHANGE
			Pay 2023	Pay 2024		
\$ 180,000	\$ 190,300	\$ 170,200	\$ 376	\$ 403	\$ 27	7.1%
\$ 270,000	\$ 285,500	\$ 274,000	\$ 608	\$ 648	\$ 40	6.7%
\$ 443,550	\$ 469,000	\$ 469,000	\$ 1,048	\$ 1,109	\$ 61	5.8%
\$ 500,000	\$ 528,700	\$ 528,700	\$ 1,182	\$ 1,267	\$ 86	7.3%
\$ 575,000	\$ 608,000	\$ 608,000	\$ 1,403	\$ 1,502	\$ 99	7.0%
\$ 650,000	\$ 687,300	\$ 687,300	\$ 1,625	\$ 1,736	\$ 112	6.9%

# Effect on Median Value Home (City Tax only) 11.0% Increase

Value of Property for Pay 2023	Value of Property for Pay 2024	Taxable Value for Pay 2024	<u>CITY TAX</u>		\$ CHANGE	% CHANGE
			Pay 2023	Pay 2024		
\$ 180,000	\$ 190,300	\$ 170,200	\$ 376	\$ 410	\$ 35	9.2%
\$ 270,000	\$ 285,500	\$ 274,000	\$ 608	\$ 661	\$ 53	8.8%
\$ 443,550	\$ 469,000	\$ 469,000	\$ 1,048	\$ 1,131	\$ 83	7.9%
\$ 500,000	\$ 528,700	\$ 528,700	\$ 1,182	\$ 1,292	\$ 111	9.4%
\$ 575,000	\$ 608,000	\$ 608,000	\$ 1,403	\$ 1,531	\$ 128	9.1%
\$ 650,000	\$ 687,300	\$ 687,300	\$ 1,625	\$ 1,771	\$ 146	9.0%

# Effect on Median Value Home (City Tax only) 12.92% Increase

Value of Property for Pay 2023	Value of Property for Pay 2024	Taxable Value for Pay 2024	<u>CITY TAX</u>		\$ CHANGE	% CHANGE
			Pay 2023	Pay 2024		
\$ 180,000	\$ 190,300	\$ 170,200	\$ 376	\$ 418	\$ 42	11.3%
\$ 270,000	\$ 285,500	\$ 274,000	\$ 608	\$ 673	\$ 66	10.8%
\$ 443,550	\$ 469,000	\$ 469,000	\$ 1,048	\$ 1,152	\$ 104	9.9%
\$ 500,000	\$ 528,700	\$ 528,700	\$ 1,182	\$ 1,316	\$ 135	11.4%
\$ 575,000	\$ 608,000	\$ 608,000	\$ 1,403	\$ 1,560	\$ 157	11.2%
\$ 650,000	\$ 687,300	\$ 687,300	\$ 1,625	\$ 1,803	\$ 179	11.0%

# Effect on Median Value Home (City Tax only) 16.33% Increase

Value of Property for Pay 2023	Value of Property for Pay 2024	Taxable Value for Pay 2024	<u>CITY TAX</u>		\$ CHANGE	% CHANGE
			Pay 2023	Pay 2024		
\$ 180,000	\$ 190,300	\$ 170,200	\$ 376	\$ 432	\$ 56	14.9%
\$ 270,000	\$ 285,500	\$ 274,000	\$ 608	\$ 695	\$ 87	14.4%
\$ 443,550	\$ 469,000	\$ 469,000	\$ 1,048	\$ 1,189	\$ 141	13.5%
\$ 500,000	\$ 528,700	\$ 528,700	\$ 1,182	\$ 1,359	\$ 177	15.0%
\$ 575,000	\$ 608,000	\$ 608,000	\$ 1,403	\$ 1,610	\$ 207	14.8%
\$ 650,000	\$ 687,300	\$ 687,300	\$ 1,625	\$ 1,862	\$ 237	14.6%

# City Tax Rate

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2023 City Tax Rate is 23.6318%.

The estimated 2024 City Tax Rate calculated at different tax levy increases:

0.0%	21.555%
7.0%	23.186%
9.0%	23.651%
11.0%	24.117%
12.92%	24.565%
16.33%	25.359%

# 2023 Tax Rates for Cities in Ramsey County

City	Tax Rate
Arden Hills	23.63
White Bear Lake	24.05
Little Canada	25.49
White Bear Township	25.86
Vadnais Heights	25.86
Lauderdale	28.16
Shoreview	30.26
Blaine	31.80
Mounds View	33.86

City	Tax Rate
Falcon Heights	35.17
New Brighton	35.75
Roseville	36.08
Spring Lake Park	37.29
Maplewood	40.55
Gem Lake	40.77
North St. Paul	42.71
St. Paul	50.61
St. Anthony	61.70

# Budgeted vs Actual Activity

Year	Original Budget	Operating Activity	Transfers Out
2013	(16,100)	44,795	(30,000)
2014	(185,402)	142,649	(162,417)
2015	(58,305)	736,465	-
2016	(160,326)	427,521	(565,121)
2017	(195,955)	694,505	-
2018	(237,225)	101,055	(400,000)
2019	(186,970)	235,217	(360,000)
2020*	(121,590)	642,918	(478,000)
2021	(90,720)	337,316	(548,000)
2022	(140,000)	298,955	(102,540)

City has come in better than the budget for all the years shown. Reasons for this include conservative budgeting and we don't budget for position vacancies.

\*2020 Operating Activity includes CARES Act revenue of \$459,614.

# Council to Consider

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## Resolution 2023-045 setting Preliminary Levy for Taxes Payable in 2024

- 7.0% increase sets maximum levy at \$5,048,990
- 9.0% increase sets maximum levy at \$5,143,360
- 11.0% increase sets maximum levy at \$5,237,730
- 12.92% increase sets maximum levy at \$5,328,450
- 16.33% increase sets maximum levy at \$5,489,210

## Resolution 2023-046 adopting Truth In Taxation Public Hearing Date for Proposed Taxes Payable in 2024

- December 11, 2023 – the first Council Meeting in December