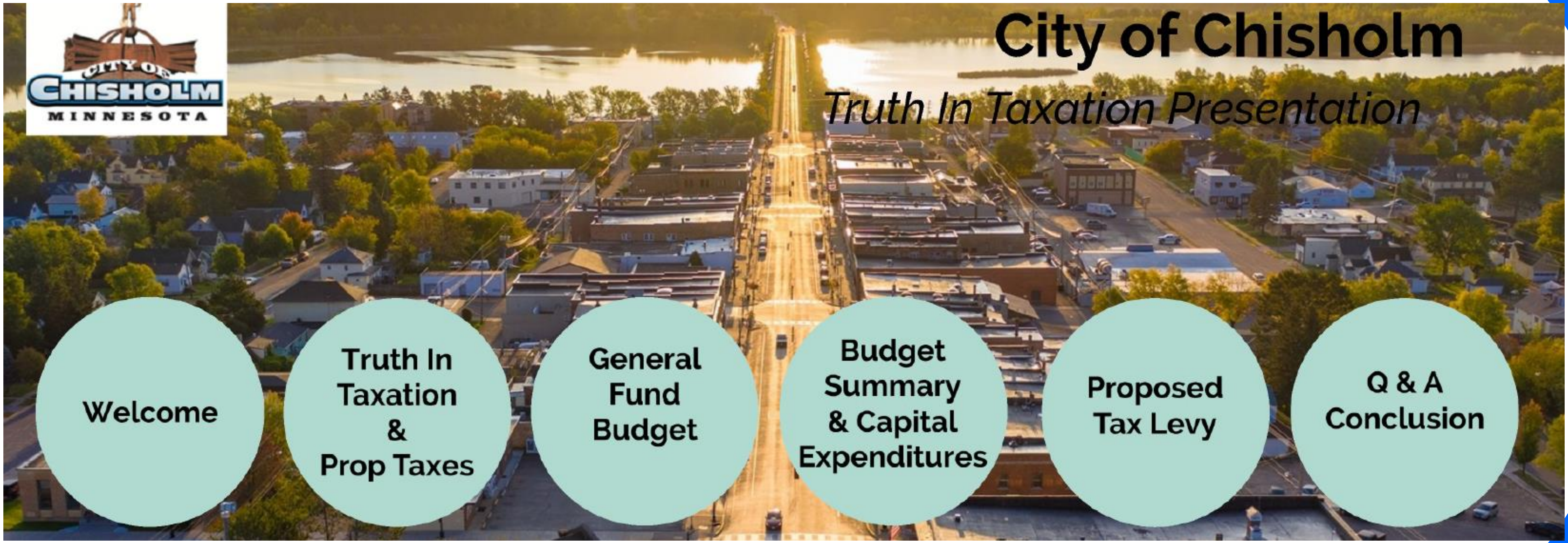
CITY OF CHISHOLM MINNESOTA
City of Chisholm
Truth In Taxation Presentation
Welcome
Truth In Taxation & Prop Taxes
General Fund Budget
Budget Summary & Capital Expenditures
Proposed Tax Levy
Q & A Conclusion

Agenda

- Welcome – Presenter Introduction
- Truth In Taxation & Property Taxes
- General Fund Budget
- Budget Summary & Capital Expenditures
- Proposed Tax Levy
- Q&A and Public Comment Period

Welcome to the Truth in Taxation Meeting

Presenter: Devin Ceglar, Clerk-Treasurer

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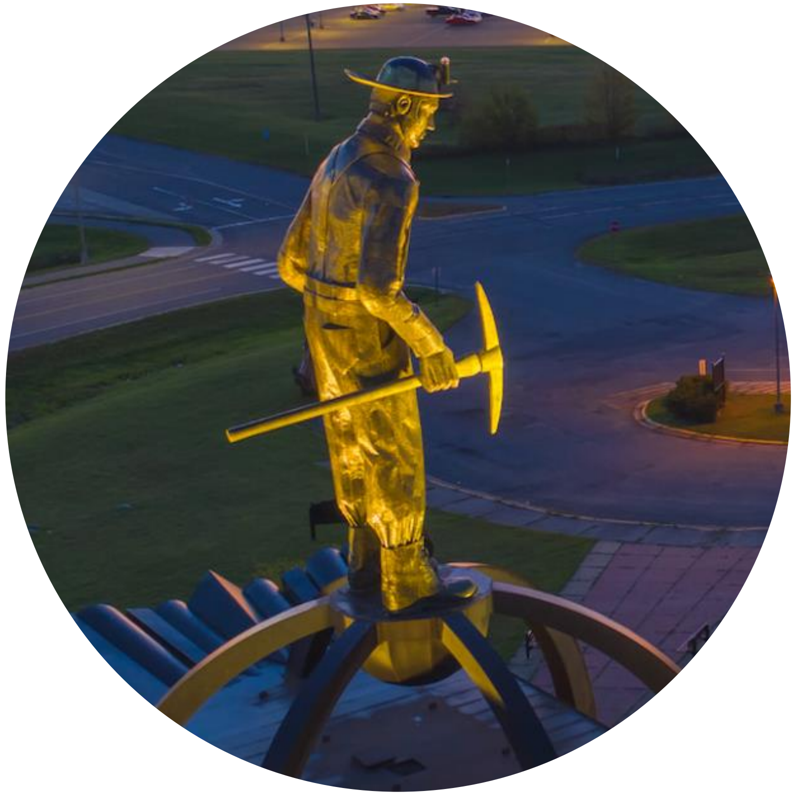

Truth In Taxation and Property Taxes

- Meeting must be held after November 25th and no later than December 29th.
- Taxing authorities are required to hold this meeting to discuss the budget/levy and to give the public time to speak.
- Property owners in Chisholm should have received their proposed property tax statements based on the initial levy that was set at 15%.

CITY LEVY

- Is used to calculate property taxes and is spread amongst taxpayers.
- Levy consists of: General Fund Levy which is used to help fund city operations; and a debt service levy which is used to levy for bonds that were issued to finance previous city capital improvements.
- The property tax levy is reduced by fiscal disparities (which is calculated by the county) and the remaining is spread amongst the tax base in the City of Chisholm.
- Fluctuations in fiscal disparities, changes in the tax base, property valuation adjustments, total assessed taxable market value, zoning, homestead status, other taxing authorities' levies etc. all affect how much tax is owed on a parcel.

GENERAL FUND LEVY

2026 PRELIMINARY AND 2025 ADOPTED GENERAL FUND BUDGETED REVENUES

	2026 PRELIMINARY (PRESENTED WITH 0% INCREASE IN LEVY)			2025 ADOPTED GENERAL FUND BUDGETED REVENUES		
SOURCE		AMOUNT	% OF TOTAL		AMOUNT	% OF TOTAL
LOCAL GOVERNMENT AID		$ 3,696,991	45.6%		$ 3,691,447	44.4%
PROPERTY TAXES:						
CURRENT AD VALOREM TAXES	$ 1,270,009		15.7%	$ 1,371,379		16.5%
FISCAL DISPARITIES	$ 834,370		10.3%	$ 733,000		8.8%
TOTAL PROPERTY TAXES		$ 2,104,379			$ 2,104,379	
LICESNES, PERMITS		$ 67,675	0.8%		$ 67,675	0.8%
RENTS, FEES, SERVICES, MISC		$ 932,301	11.5%		$ 880,550	10.6%
TACONITE MUNICIPAL AID		$ 650,000	8.0%		$ 650,000	7.8%
TACONITE HOMESTEAD CREDIT		$ 190,000	2.3%		$ 190,000	2.3%
ASSESSMENTS, GRANTS, OTHER		$ 294,000	3.6%		$ 381,389	4.6%
TRANSFERS IN		$ -	0.0%		$ 207,074	2.5%
INTEREST		$ 122,500	1.5%		$ 80,000	1.0%
TACONITE PRODUCTION TAX		$ 55,000	0.7%		$ 55,000	0.7%
TOTAL GENERAL FUND REVENUE:		$ 8,112,846	100.0%		$ 8,307,514	100.0%

2026 PRELIMINARY AND 2025 ADOPTED GENERAL FUND BUDGETED EXPENDITURES

	2026 PRELIMINARY GENERAL FUND BUDGET		2025 ADOPTED BUDGET	
DEPARTMENT	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
GENERAL GOVERNMENT	$1,185,857	14.1%	$1,153,072	13.7%
PUBLIC SAFETY	$3,711,757	44.0%	$3,876,090	46.1%
PUBLIC WORKS	$1,071,361	12.7%	$1,037,114	12.3%
CULTURE AND RECREATION	$ 993,707	11.8%	$1,077,118	12.8%
ECONOMIC DEVELOPMENT	$ 115,839	1.4%	$ 134,553	1.6%
CEMETERY	$ 165,665	2.0%	$ 193,144	2.3%
INSURANCE	$ 436,767	5.2%	$ 404,958	4.8%
MISCELLANEOUS	$ 161,600	1.9%	$ 151,400	1.8%
TRANSFERS TO OTHER FUNDS AND DEBT SERVICE	$ 592,313	7.0%	$ 379,309	4.5%
TOTAL GENERAL FUND EXPENDITURES	$8,434,866	100.0%	$8,406,758	100.0%

2026 GENERAL FUND COMPARISON

FY 2026 GENERAL FUND 101 PRELIMINARY BUDGET

	FY 2024 Audited	FY 2025 Budgeted	FY26 In Progress
General Fund 101 Revenues			
Taxes	1,994,415	2,104,379	2,104,379
Licenses and Permits	43,335	47,100	47,100
Revenues & Other Financing Sources	105,059	20,575	20,575
Intergovernmental	5,205,250	4,967,836	4,871,991
Charges for Services	1,018,016	816,350	882,101
Fines and Forfeits	25,591	25,200	25,200
Miscellaneous/Interest Revenues	220,548	105,000	147,500
Other Financing	440,405	221,074	14,000
Total General Fund 101 Revenues:	**9,052,619**	**8,307,514**	**8,112,846**
General Fund 101 Expenditures			
General Government			
Council	74,901	87,005	86,005
Elections	18,461	3,187	11,640
Financial Administration	660,636	657,705	712,558
Auditing/Accounting	18,700	18,500	20,000
City Attorney	35,343	40,000	40,000
Planning and Zoning	35,331	38,723	39,728
General Government Buildings	251,594	307,952	275,926
Total General Government:	1,094,966	1,153,072	1,185,857

2026 GENERAL FUND COMPARISON

FY 2026 GENERAL FUND 101 PRELIMINARY BUDGET

	FY 2024 Audited	FY 2025 Budgeted	FY26 In Progress
Public Safety			
Public Safety Building	13,206	40,000	65,500
Police	2,187,200	2,319,929	2,398,421
Ambulance Services	1,083,078	1,021,989	754,289
Fire	305,935	348,920	340,589
Building Inspection	188,563	126,052	129,258
Emergency Management	7,278	-	3,000
Animal Control	17,441	19,200	20,700
Total Public Safety:	3,802,701	3,876,090	3,711,757
Public Works			
Street	867,843	912,888	936,661
Street Lighting	123,050	124,226	134,700
Total Public Works:	990,893	1,037,114	1,071,361

2026 GENERAL FUND COMPARISON

FY 2026 GENERAL FUND 101 PRELIMINARY BUDGET

	FY 2024 Audited	FY 2025 Budgeted	FY26 In Progress
Culture and Recreation			
Recreation	92,541	91,730	97,163
Summer Youth	44,039	50,731	50,634
Playgrounds	118,118	35,000	10,000
Skating Rinks	4,315	12,365	12,643
Ball Parks	6,845	15,212	12,006
Curling Club	19,865	35,125	33,064
Bocce Ball	3,285	13,850	13,850
Arena	109,173	118,945	119,548
Field House	16,678	19,750	18,250
Football Field	-	2,060	-
Parks	186,606	237,033	206,355
Redhead Mtn Bike Park	136,658	106,813	105,632
Bruce Mine Park & Trailhead	2,353	9,000	5,000
Library	271,183	329,504	309,562
Total Culture and Recreation:	1,011,659	1,077,118	993,707
Economic Development			
Economic Development	90,108	134,553	115,839
Total Economic Development:	90,108	134,553	115,839

2026 GENERAL FUND COMPARISON

FY 2026 GENERAL FUND 101 PRELIMINARY BUDGET

	FY 2024 Audited	FY 2025 Budgeted	FY26 In Progress
Other			
Cemetery	147,693	193,144	165,665
Insurance	352,821	404,958	436,767
Miscellaneous	172,689	151,400	161,600
Debt Service	53,840	54,309	54,308
Transfers out	1,600,000	325,000	538,005
Total Other:	2,327,043	1,128,811	1,356,345
Total General Fund 101 Expenditures:	**9,317,370**	**8,406,758**	**8,434,866**

SURPLUS/(DEFICIT) GENERAL FUND 101	
General Fund 101 - Revenues	8,112,846
General Fund 101 - Expenditures	8,434,866
General Fund 101 - Surplus/(Deficit)	**(322,020)**

CAPITAL PROJECT FUNDS' BUDGET SUMMARIES

CAPITAL PROJECT FUNDS' BUDGETS

FUND NAME	403 MILL & OVERLAY	404 ROAD IMPROVE MENT	410 HERITAGE MANOR INFR REPLACEM ENT	411 CITY HALL BSMNT	412 PUB WRKS GRGE	413 WENTON ADDN	414 REDHEAD	415 LONGYEAR LAKE PARK	TOTAL CAPITAL PROJECTS FUNDS	
REVENUE										
INTERGOVERNMENTAL REVENUE (GRANTS)	67,000	-	658,875	2,040,000	2,700,000	2,774,255	387,502	573,000	9,200,631	
SPECIAL ASSESSMENTS (NOT REVENUE IN 2026- RECEIVED OVER NEXT 10 YEARS)	119,121	-	137,050	-	-	-	-	-	256,171	
2025 REVENUE NOT SPENT IN 2025	47,350	-	-	-	-	-	-	-	47,350	
OTHER FINANCING SOURCES (DEBT)	-	-	1,281,368	-	-	-	-	-	1,281,368	
TRANSFERS IN (FROM GENERAL FUND)	-	40,000	173,005	-	100,000	200,000	-	25,000	538,005	GENERAL FUND TRANSFER OUT
TOTAL REVENUE	233,471	40,000	2,250,298	2,040,000	2,800,000	2,974,255	387,502	598,000	11,323,525	
EXPENDITURES										
CAPITAL OUTLAY	200,000	40,000	2,250,298	2,040,000	2,800,000	2,974,255	387,502	598,000	11,290,055	
REVENUE LESS EXPENDITURES	33,471	-	-	-	-	(0)	(0)	-	33,470	

TRANSFERS FROM GENERAL FUND TO CAPITAL PROJECTS FUNDS

PUBLIC WORKS GARAGE	$ 100,000
WENTON ADDITION	$ 200,000
LONG-YEAR PARK	$ 25,000
HERITAGE MANOR STREET PROJECT	$ 173,005
CRACK SEALING STREETS	$ 40,000
TOTAL BUDGET FOR CAPITAL PROJECT FUND TRANSFERS	$ 538,005

DEBT SERVICE FUND BUDGET SUMMARY

DEBT SERVICE FUND 303

- The City has one debt issuance that is paid by a separate levy.
- Principal and interest to be paid on this debt in 2025 is $45,171.
- City has levied $47,430 to maintain compliance with Minnesota Statute Section 475.61 to meet the 105% levy requirement.

NET CHANGE IN GENERAL FUND BALANCE WITH A 0% LEVY INCREASE

TOTAL GENERAL FUND REVENUES	$	8,112,846
TOTAL GENERAL FUND EXPENDITURES	$	(8,434,866)
INCREASE/DECREASE IN FUND BALANCE	$	(322,020)

2026 Levy – Preliminary was set at 15%

	2025 Final Levy (5%)	2026 Levy									
		10.00%	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	2.00%	1.00%
General Fund	$ 2,332,898	$ 2,570,931	$ 2,547,128	$ 2,523,324	$ 2,499,521	$ 2,475,718	$ 2,451,914	$ 2,428,111	$ 2,404,308	$ 2,380,505	$ 2,356,701
Bonded Indebtedness	$ 47,430	$ 47,430	$ 47,430	$ 47,430	$ 47,430	$ 47,430	$ 47,430	$ 47,430	$ 47,430	$ 47,430	$ 47,430
Total Levied by City Council	$ 2,380,328	$ 2,618,361	$ 2,594,558	$ 2,570,754	$ 2,546,951	$ 2,523,148	$ 2,499,344	$ 2,475,541	$ 2,451,738	$ 2,427,935	$ 2,404,131
Budgeted Revenue Increase		$ 238,033	$ 214,230	$ 190,426	$ 166,623	$ 142,820	$ 119,016	$ 95,213	$ 71,410	$ 47,607	$ 23,803
Please Note: Each % = $ 23,803											
Budget Deficit in General Fund at 0% Levy Increase		$ (322,020)	$ (322,020)	$ (322,020)	$ (322,020)	$ (322,020)	$ (322,020)	$ (322,020)	$ (322,020)	$ (322,020)	$ (322,020)
Budget Surplus/Deficit		$ (83,987)	$ (107,790)	$ (131,594)	$ (155,397)	$ (179,200)	$ (203,004)	$ (226,807)	$ (250,610)	$ (274,413)	$ (298,217)
		$200,000 expected to be used from reserves to invest in capital projects									

Conclusion/Questions?

- A 5.25% levy increase covers the deficit for current year expenditures if the City budgets to take $200,000 from reserves for capital project fund investment.
- Recommend a minimum levy increase of 5.25%.
- Any Questions?
- Public Comments

CHISHOLM MINNESOTA

Thank you

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