



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 Conclusion



Welcome to the Truth in Taxation Meeting

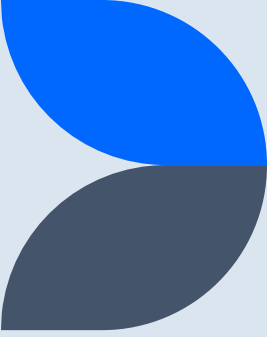
Presenter: Devin Ceglar, Clerk-Treasurer

Phone: 218-254-7910

Email: dceglar@ci.chisholm.mn.us



Truth In Taxation and Property Taxes



- Meeting must be held after November 24th and no later than December 30th.
- 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 10%.

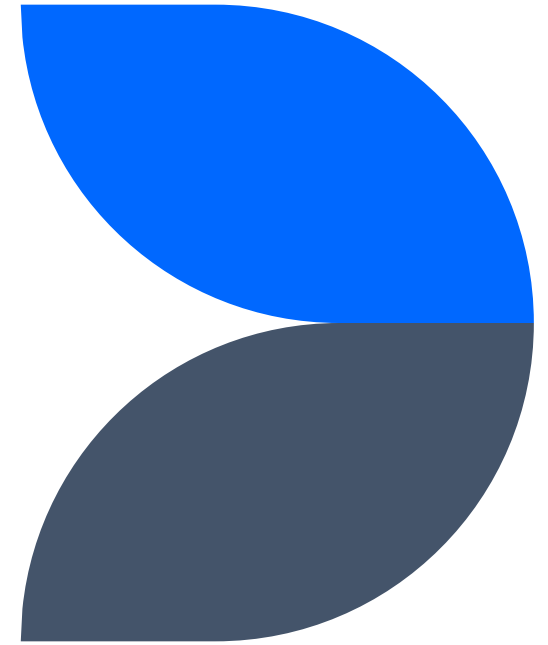


CITY LEVY

- 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 factor in to how a parcel is taxed.



GENERAL FUND LEVY

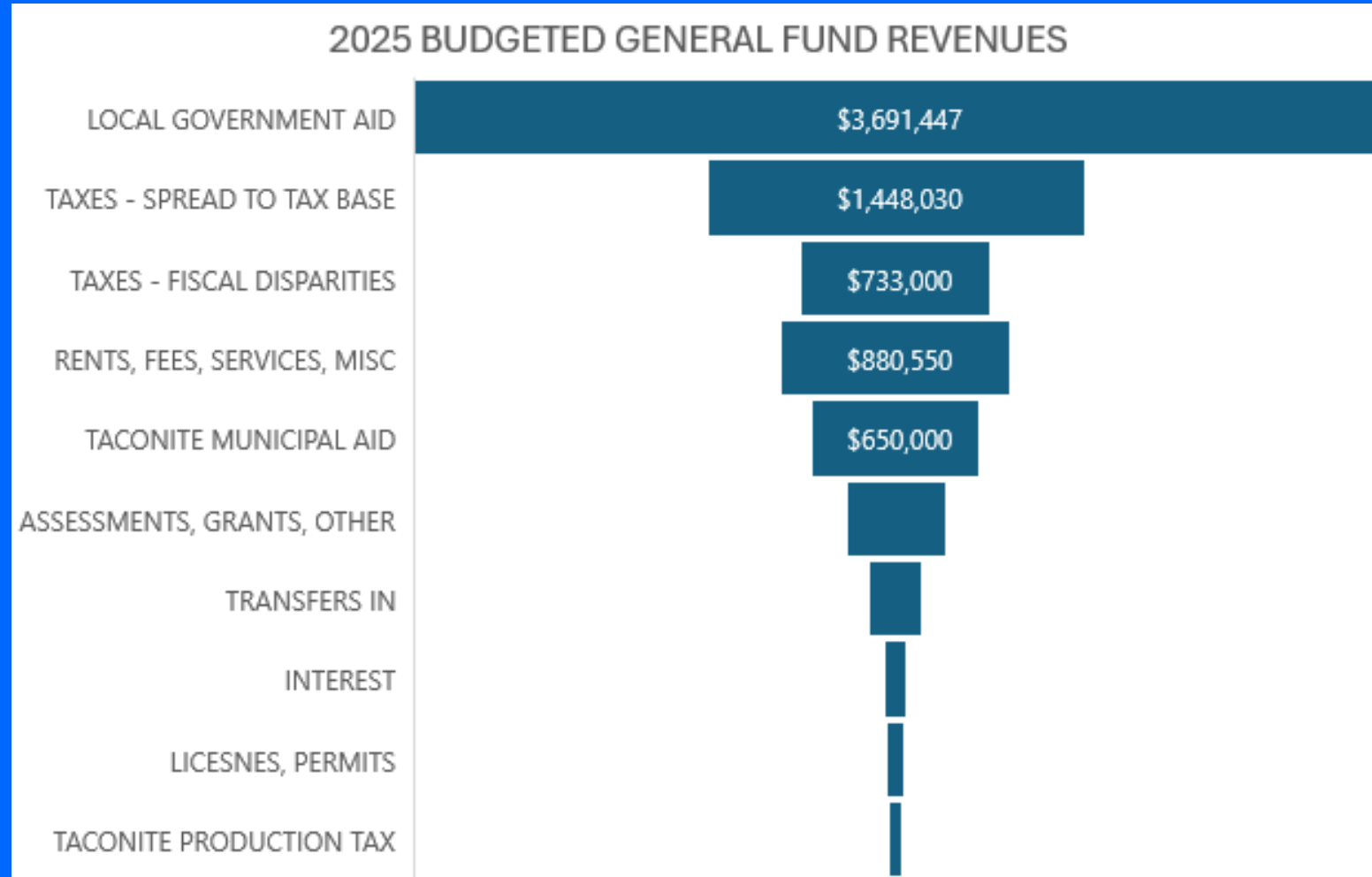


2025 BUDGETED GENERAL FUND REVENUES (PRESENTED WITH 0% INCREASE IN LEVY)

<u>SOURCE</u>		<u>AMOUNT</u>	<u>% OF TOTAL</u>
LOCAL GOVERNMENT AID		\$ 3,691,447	45.0%
PROPERTY TAXES:			
SPREAD TO TAX BASE	\$ 1,448,030		17.7%
FISCAL DISPARITIES	<u>\$ 733,000</u>		8.9%
TOTAL PROPERTY TAXES		\$ 2,181,030	
RENTS, FEES, SERVICES, MISC		\$ 880,550	10.7%
TACONITE MUNICIPAL AID		\$ 650,000	7.9%
ASSESSMENTS, GRANTS, OTHER		\$ 381,389	4.7%
TRANSFERS IN		\$ 207,074	2.5%
INTEREST		\$ 80,000	1.0%
LICESNES, PERMITS		\$ 67,675	0.8%
TACONITE PRODUCTION TAX		<u>\$ 55,000</u>	<u>0.7%</u>
TOTAL GENERAL FUND REVENUE:		<u>\$ 8,194,165</u>	<u>100.0%</u>



2025 BUDGETED GENERAL FUND REVENUES

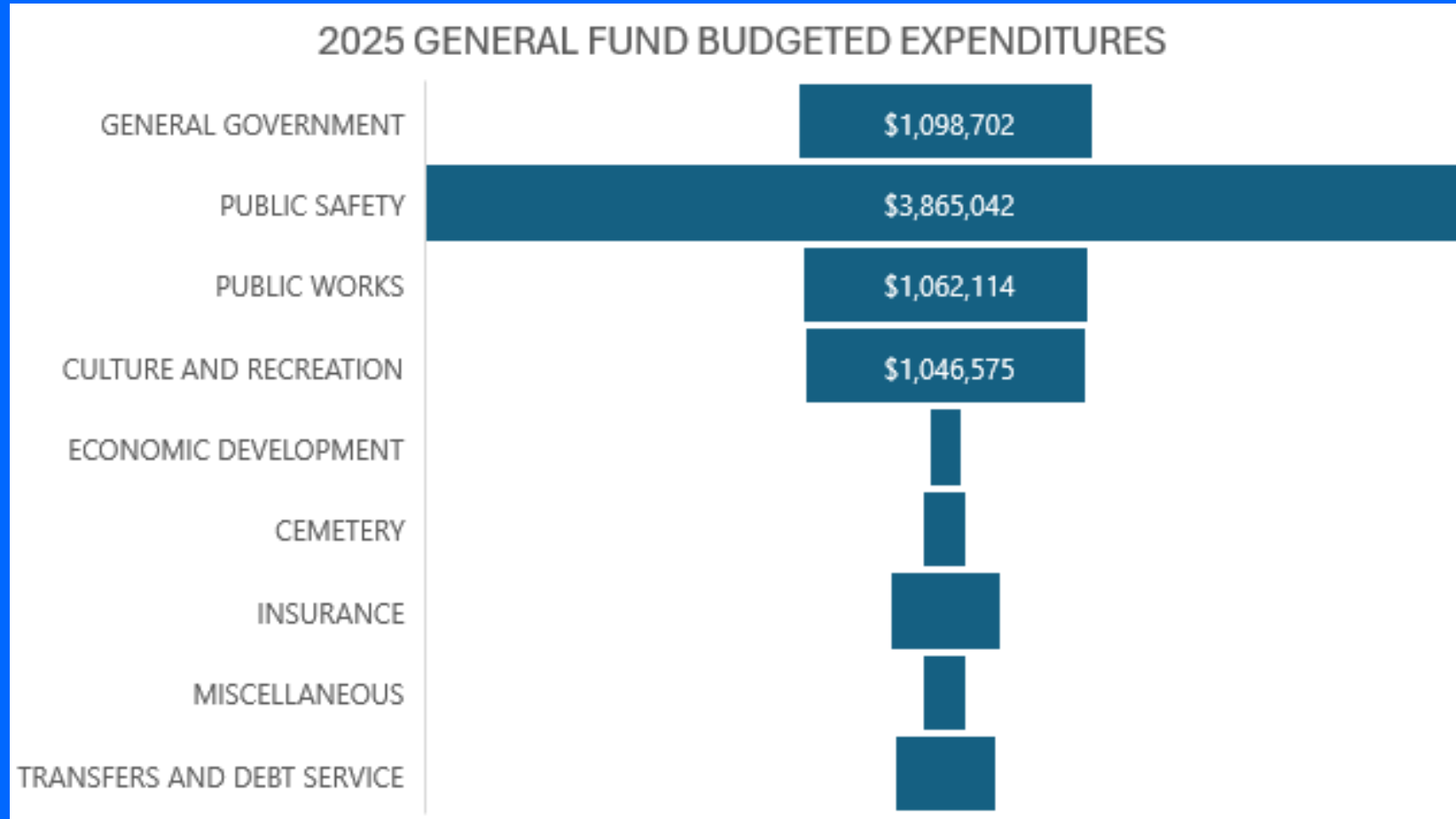


2025 BUDGETED GENERAL FUND EXPENDITURES

<u>DEPARTMENT</u>	<u>AMOUNT</u>	<u>% OF TOTAL</u>
GENERAL GOVERNMENT	\$ 1,098,702	13.2%
PUBLIC SAFETY	\$ 3,865,042	46.6%
PUBLIC WORKS	\$ 1,062,114	12.8%
CULTURE AND RECREATION	\$ 1,046,575	12.6%
ECONOMIC DEVELOPMENT	\$ 114,553	1.4%
CEMETERY	\$ 160,811	1.9%
INSURANCE	\$ 404,958	4.9%
MISCELLANEOUS	\$ 161,600	1.9%
TRANSFERS TO OTHER FUNDS AND DEBT SERVICE	\$ 379,309	4.6%
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 8,293,664</u>	<u>100.0%</u>



2025 BUDGETED GENERAL FUND EXPENDITURES



2025 GENERAL FUND COMPARISON

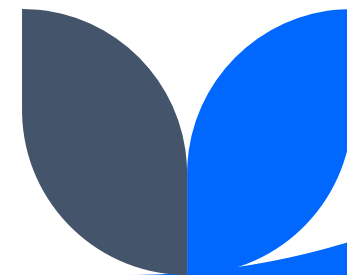
CITY OF CHISHOLM

FY 2025 GENERAL FUND 101 PROPOSED BUDGET				
		FY 2023 Audited	FY 2024 Budgeted	FY25 In Progress
General Fund 101 Revenues				
	Taxes	1,524,712.00	1,613,030.00	1,991,030.00
	Licenses and Permits	45,212.00	47,100.00	47,100.00
	Revenues & Other Financing Sources	20,394.00	20,575.00	20,575.00
	Intergovernmental	4,760,023.00	4,867,668.00	4,967,836.00
	Charges for Services	734,638.00	876,650.00	816,350.00
	Fines and Forfeits	31,500.00	43,400.00	25,200.00
	Miscellaneous Revenues	70,710.00	38,900.00	105,000.00
	Other Financing	213,816.00	28,395.00	221,074.00
	Total General Fund 101 Revenues:	7,401,005.00	7,535,718.00	8,194,165.00
General Fund 101 Expenditures				
General Government				
	Council	85,649.00	91,446.00	87,005.00
	Elections	681.00	21,497.00	3,187.00
	Financial Administration	603,141.00	643,205.00	657,705.00
	Auditing/Accounting	17,218.00	16,500.00	18,500.00
	City Attorney	47,365.00	45,000.00	40,000.00
	Planning and Zoning	35,243.00	35,288.00	38,723.00
	General Government Buildings	206,730.00	235,576.00	253,582.00
	Total General Government:	996,027.00	1,088,512.00	1,098,702.00

2025 GENERAL FUND COMPARISON

CITY OF CHISHOLM

FY 2025 GENERAL FUND 101 PROPOSED BUDGET				
		FY 2023 Audited	FY 2024 Budgeted	FY25 In Progress
Public Safety				
	Public Safety Building	-	-	40,000.00
	Police	1,958,089.00	2,205,320.00	2,308,881.00
	Ambulance Services	552,324.00	718,996.00	1,021,989.00
	Fire	611,461.00	347,714.00	348,920.00
	Building Inspection	176,969.00	116,933.00	126,052.00
	Emergency Management	(36.00)	10,131.00	-
	Animal Control	18,660.00	19,200.00	19,200.00
	Total Public Safety:	3,317,467.00	3,418,294.00	3,825,042.00
Public Works				
	Street	1,035,635.00	989,174.00	937,888.00
	Street Lighting	111,855.00	123,226.00	124,226.00
	Total Public Works:	1,147,490.00	1,112,400.00	1,062,114.00

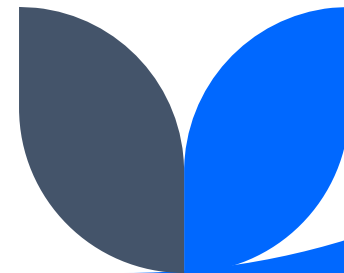


2025 GENERAL FUND COMPARISON

CITY OF CHISHOLM				
FY 2025 GENERAL FUND 101 PROPOSED BUDGET				
		FY 2023 Audited	FY 2024 Budgeted	FY25 In Progress
Culture and Recreation				
	Recreation	90,520.00	89,156.00	91,230.00
	Summer Youth	46,320.00	47,594.00	50,731.00
	Playgrounds	35,030.00	111,813.00	35,000.00
	Skating Rinks	7,894.00	12,360.00	12,365.00
	Ball Parks	9,367.00	12,606.00	12,006.00
	Curling Club	29,519.00	38,709.00	35,125.00
	Bocce Ball	54,614.00	13,670.00	13,850.00
	Arena	105,623.00	130,417.00	118,945.00
	Field House	37,343.00	19,290.00	19,750.00
	Football Field	2,325.00	5,582.00	-
	Parks	177,799.00	195,471.00	219,126.00
	Redhead Mtn Bike Park	66,126.00	128,728.00	106,813.00
	Bruce Mine Park & Trailhead	-	9,100.00	9,000.00
	Library	241,499.00	281,804.00	322,634.00
	Total Culture and Recreation:	903,979.00	1,096,300.00	1,046,575.00
Economic Development				
	Economic Development	69,071.00	124,396.00	114,553.00
	Total Economic Development:	69,071.00	124,396.00	114,553.00

2025 GENERAL FUND COMPARISON

CITY OF CHISHOLM				
FY 2025 GENERAL FUND 101 PROPOSED BUDGET				
		FY 2023 Audited	FY 2024 Budgeted	FY25 In Progress
Other				
	Cemetery	135,573.00	154,993.00	160,811.00
	Insurance	348,255.00	297,658.00	404,958.00
	Miscellaneous	140,855.00	153,350.00	161,600.00
	Other Financing Uses	54,308.00	-	379,309.00
	Total Other:	678,991.00	606,001.00	1,106,678.00
Total General Fund 101 Expenditures:		7,113,025.00	7,445,903.00	8,293,664.00
SURPLUS/(DEFICIT) GENERAL FUND 101				
General Fund 101 - Revenues				8,194,165.00
General Fund 101 - Expenditures				8,293,664.00
General Fund 101 - Surplus/(Deficit)				\$ (99,499.00)



TRANSFERS FROM GENERAL FUND TO CAPITAL PROJECTS FUNDS

ARENA/CURLING CLUB CAPITAL PROJECTS FUND	\$ 250,000
MILL & OVERLAY CAPITAL PROJECTS FUND	\$ 75,000

-ARENA CURLING CLUB TRANSFER IS TO FUND THE UNFUNDED PORTION OF THE ESTIMATED \$5,770,000 PROJECT COST.

-MILL & OVERLAY TRANSFER IS TO HELP OFFSET COSTS ASSOCIATED WITH REPAIRING CITY STREETS



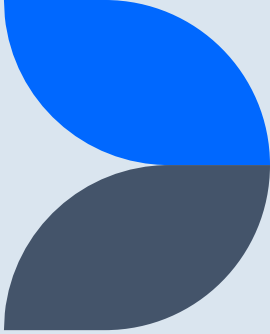
NET CHANGE IN GENERAL FUND BALANCE WITH A 0% LEVY INCREASE



TOTAL GENERAL FUND REVENUES	\$ 8,194,165
TOTAL GENERAL FUND EXPENDITURES	<u>\$ (8,293,664)</u>
INCREASE/DECREASE IN FUND BALANCE	<u><u>\$ (99,499)</u></u>



LEVY INCREASE – (Previous 5-year Average is 6.6%)

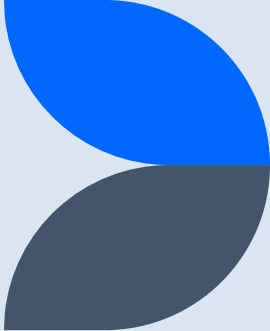


2025 Proposed City Levy -St. Louis County

Forms are to be returned to St. Louis County by December 31, 2024

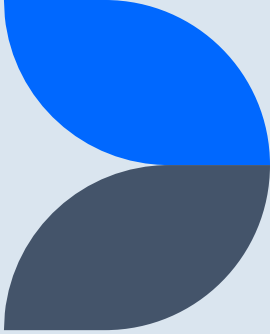
	<u>2025 Initial Levy</u>		
	10.00%	5.00%	1.00%
General Fund	\$ 2,446,247	\$ 2,332,898	\$ 2,242,219
Bonded Indebtedness	\$ 47,430	\$ 47,430	\$ 47,430
Total Levied by City Council	<u>\$ 2,493,677</u>	<u>\$ 2,380,328</u>	<u>\$ 2,289,649</u>
Budgeted Revenue Increase	\$ 226,698	\$ 113,349	\$ 22,670
Please Note: Each % =			
\$ 22,670			
Budget Deficit in General Fund at 0% Levy Increase	<u>\$ (99,499)</u>	<u>\$ (99,499)</u>	<u>\$ (99,499)</u>
Budget Surplus/Deficit	\$ 127,199	\$ 13,850	\$ (76,829)

FISCAL DISPARITIES



	<i>2024 Final Levy (5%)</i>	<u>2025 Levy</u>	Difference	% Difference
		0.00%		
General Fund	\$2,220,929	\$ 2,219,549		
Bonded Indebtedness	<u>\$ 46,050</u>	<u>\$ 47,430</u>		
Total Levied by City Council	<u>\$2,266,979</u>	<u>\$ 2,266,979</u>	<u>\$ -</u>	<u>0.0%</u>
Fiscal Disparities	\$ 832,283	\$ 733,270	<u>\$ (99,013)</u>	-11.9%
Amount Spread to Tax Base	\$1,434,696	\$ 1,533,709	<u>\$ 99,013</u>	6.9%

LEVY INCREASE



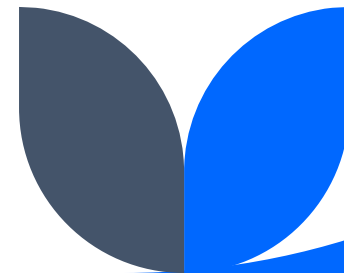
<i>2025 Proposed City Levy -St. Louis County</i>											
<i>Forms are to be returned to St. Louis County by December 31, 2024</i>											
	<i>2024 Final Levy (5%)</i>	<u>2025 Initial Levy</u>									
		10.00%	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	2.00%	1.00%
General Fund	\$ 2,220,929	\$ 2,446,247	\$ 2,423,577	\$ 2,400,907	\$ 2,378,238	\$ 2,355,568	\$ 2,332,898	\$ 2,310,228	\$ 2,287,558	\$ 2,264,889	\$ 2,242,219
Bonded Indebtedness	\$ 46,050	\$ 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	<u>\$ 2,266,979</u>	<u>\$ 2,493,677</u>	<u>\$ 2,471,007</u>	<u>\$ 2,448,337</u>	<u>\$ 2,425,668</u>	<u>\$ 2,402,998</u>	<u>\$ 2,380,328</u>	<u>\$ 2,357,658</u>	<u>\$ 2,334,988</u>	<u>\$ 2,312,319</u>	<u>\$ 2,289,649</u>
Budgeted Revenue Increase		\$ 226,698	\$ 204,028	\$ 181,358	\$ 158,689	\$ 136,019	\$ 113,349	\$ 90,679	\$ 68,009	\$ 45,340	\$ 22,670
Please Note: Each % =											
\$ 22,670											
Budget Deficit in General Fund at 0% Levy Increase		\$ (99,499)	\$ (99,499)	\$ (99,499)	\$ (99,499)	\$ (99,499)	\$ (99,499)	\$ (99,499)	\$ (99,499)	\$ (99,499)	\$ (99,499)
Budget Surplus/Deficit		\$ 127,199	\$ 104,529	\$ 81,859	\$ 59,190	\$ 36,520	\$ 13,850	\$ (8,820)	\$ (31,490)	\$ (54,159)	\$ (76,829)



DEBT SERVICE FUND BUDGET SUMMARY

DEBT SERVICE FUND 303

- The City has one debt issuance that is paid by the 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% requirement.





CAPITAL PROJECT FUNDS' BUDGET SUMMARIES

PERMANENT IMPROVEMENT FUND 401

			FY 2023 Audited	FY 2024 Budgeted	FY25 In Progress
PERMANENT IMPR. & REPL. 401 REVENUES					
	Taxes		373,242.00	-	-
	Intergovernmental Revenues		5,791,698.00	1,843,750.00	-
	Grants & Aids		1,025,000.00	479,354.00	-
	Special Assessments		89,859.00	480,024.00	-
	Total	PERMANENT IMPR. & REPL. 401 REVENUES	7,279,799.00	2,803,128.00	-
PERMANENT IMPR. & REPL. 401 EXPENDITURES					
	Capital Outlay Buildings & Structures		6,624,591.00	100,000.00	-
	Capital Outlay Improvements Other than Buildings		92,208.00	2,937,022.00	-
	Capital Outlay Improvements Other than Buildings		38,459.00	-	-
	Transfer Out		-	-	207,074.00
	Total	PERMANENT IMPR. & REPL. 401 EXPENDITURES	6,755,258.00	3,037,022.00	207,074.00

ARENA/CURLING CLUB CAPITAL PROJECTS FUND 402

ARENA/CURLING CLUB 402 REVENUES					
	Intergovernmental		-	-	5,520,000.00
	Transfer In		-	-	250,000.00
	Total	ARENA/CURLING CLUB 402 REVENUES	-	-	5,770,000.00
ARENA/CURLING CLUB 402 EXPENDITURES					
	Capital Outlay		-	-	5,770,000.00
	Total	ARENA/CURLING CLUB 402 EXPENDITURES	-	-	5,770,000.00

2025 MILL & OVERLAY CAPITAL PROJECTS FUND 402

2025 MILL & OVERLAY 403 REVENUES				
	Intergovernmental	-	-	85,000.00
	Special Assessments	-	-	40,000.00
	Transfer In	-	-	75,000.00
Total	2025 MILL & OVERLAY 403 REVENUES	-	-	200,000.00
2025 MILL & OVERLAY 403 EXPENDITURES				
	Capital Outlay	-	-	200,000.00
Total	2025 MILL & OVERLAY 403 EXPENDITURES	-	-	200,000.00

COOP ROAD IMPROVEMENT CAPITAL PROJECTS FUND 404

COOP ROAD IMPROVEMENTS 404 REVENUES					
	Intergovernmental		-	-	40,000.00
	Total	COOP ROAD IMPROVEMENTS 404 REVENUES	-	-	40,000.00
COOP ROAD IMPROVEMENTS 404 EXPENDITURES					
	Capital Outlay		-	-	40,000.00
	Total	COOP ROAD IMPROVEMENTS 404 EXPENDITURES	-	-	40,000.00

5TH ST PROJECT CAPITAL PROJECTS

FUND 408

2025 5TH ST PROJECT 408 REVENUES					
	Intergovernmental		-	-	500,000.00
	Special Assessments		-	-	360,000.00
Total	2025 5TH ST PROJECT 408 REVENUES		-	-	860,000.00
2025 5TH ST 408 PROJECT 408 EXPENDITURES					
	Capital Outlay		-	-	1,800,000.00
Total	2025 5TH ST 408 PROJECT 408 EXPENDITURES		-	-	1,800,000.00

REDHEAD CAPITAL PROJECTS FUND 414

REDHEAD 414 REVENUES					
	Intergovernmental		-	-	3,390,000.00
	Total	REDHEAD 414 REVENUES	-	-	3,390,000.00
REDHEAD 414 EXPENDITURES					
	Capital Outlay		-	-	3,390,000.00
	Total	REDHEAD 414 EXPENDITURES	-	-	3,390,000.00



Conclusion/Questions?

- 5% Levy increase would cover the deficit for current year expenditures and would be the minimum recommended levy increase.
- Additional consideration should be given to declining infrastructure, maintaining a reserve fund balance, and future capital improvements that may require funding.
- Any Questions?





Thank you

Devin Ceglar, Clerk-Treasurer

218-254-7910

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