

2021 Final Budget and Tax Levy

December 14, 2020

**The budget is the single most
important policy document a local
government adopts**

2021 Budget: What is it?

- Our WHY: To Make Alexandria the Place You Choose

- Statement of Priorities

- Control, Management, and Planning Tool

- Recognizes the impact of COVID-19





Strategic Alignment

1

Operational Excellence

- Reduced Expenses in light of reduced revenue
- Maintained required Fund Balance in the General Fund
- Retained services despite closures and limitations
- Improved technology
- Three successfully conducted elections



Elections Team

2

Long Term Planning

- Completion of 2040 Comprehensive Plan
- Evaluated City Hall Needs Assessment in light of change in work due to COVID-19
- Participated in multi-jurisdictional transportation planning efforts



Runestone Community Center

3

Sustainable Infrastructure

- Completed Street Reconstruction project with four distinct areas and cooperation among ALP and ALASD
- Paved one of the last gravel streets in the City and added trail along residential connector street
- Received grants for future sidewalk construction



4

Safe Communities

- Replaced police officer
- Downtown Fire Response
- Citizens Police Academy
- Transition to New Police Chief and new leaders in Captain and Sergeant positions



5

Economic Vitality

- Completion of 44th Avenue Extension through developable land
- Construction project value estimated at \$70,000,000 in 2020
- Workforce Housing Grant apartment building under construction
- Grant to renovate leasable space at Bellanca building



44th Avenue with side right walking path

6

Communications

- Signage for land use applications
- Social Media
- COVID-19 Communication
- Enhanced cooperation among service providers



Partnership with Helping
Hands of Alexandria



Operating Budget

The nine
elements of our
General
Fund

1

Police Department

The Alexandria Police Department provides safety and connectivity to all of the citizens who live or visit this city by:

- Positive partnerships
- Staying well trained
- Using advanced technology
- Building community involvement

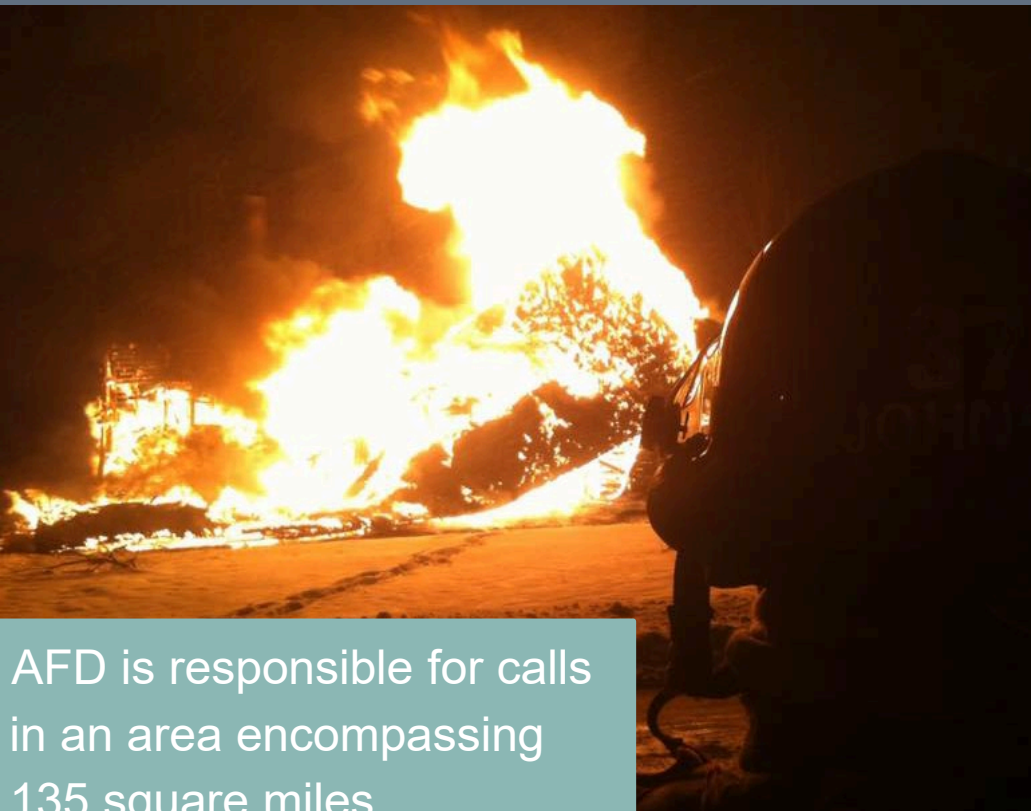


If you tally up all the months worked since their start date by the current APD officers, you have 3252 months of service or 271 years

Alexandria Spirit Week
March 2020
Cardinal Day!

2

Fire Department/Emergency Mgmt.



AFD is responsible for calls in an area encompassing 135 square miles.

The Alexandria Fire Department (1 FT Chief and 31 volunteers) provide and protect:

- Life safety
- Fire Suppression
- Fire prevention and education
- Technical rescue
- Fire system inspections
- Disaster response
- Emergency management

3

The ice is 1 1/8" thick at the RCC, many believe it is much more.

Runestone Community Center

The RCC is a long standing multi-use facility in our community by doing:

- Coordinate a diverse group of ice events
- Facility changeover to ice and dry floor events
- Providing space to host large events for non-profit organizations
- Used as a significant solution to Emergency Management community needs/plans



4

Public Works: Streets

Streets are often the first impression of any community. This department takes pride in these service areas:

- Street sweeping
- Storm water management
- Snow and ice control
- Asphalt maintenance
- Mowing, trimming and spraying
- Sidewalk repair
- Special event set up

Snow plowing begins at 3:00 a.m. during major events



2020 improvements include Veterans Memorial Park, Matt Kjelland Memorial Courts, and Big Ole Park Musical Playground

5

Public Works: Parks

This department is a key, valuable asset in maintaining our visual appeal to all by:

- Mowing and trimming
- Flowers and landscaping
- Park and building maintenance
- Recreational ice at Noonan's Park
- Snow removal
- Tree removal/trimming



If properly equipped, an airplane can land in weather as poor as $\frac{3}{4}$ mile visibility thanks to the navigation equipment at AXN.

6

Airport

Alexandria's airport ranks 13th busiest among all 134 public airports in the state, including all commercial airports such as MSP.

The Alexandria Municipal Airport excels in community partnership and economic impact ability by servicing:

- The Medical industry as regional medical transportation hub
- The Manufacturing industry as overnight freight deliveries are utilized



7



Contractor
Training
Jan 2020

Community Development

Proper planning for any thriving community is a continued driver. This department provides services in these areas:

- Planning/Zoning
- Land Use
- Building Code consultation
- Building Plan review/Permits
- Site Inspection
- Construction Storm water Mgmt.
- Contractor Education
- Rental Registration
- Nuisance Enforcement
- Housing/Loans

1,052 permits issued which creates \$75 million in construction activity in 2020.

This department re-measures and photographs every structure in the city limits once every five years.

8

Assessing



This department directs and manages the valuation and classification of all property in the City by:

- Physically inspecting all properties in the city
- Setting values for all properties on an annual basis
- Responding to inquiries from members of the public about their work.



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Administration/Finance

This department is the central administrative hub of the city executing functions and work in these areas:

Successful 2019 audit included elimination of segregation of duties finding.

- Preparing the annual city budget
- Strategic planning
- Policy development
- Employee assistance and engagement
- Financial planning and management

Stores carry 101 locally made wine, beer or liquors.



Liquor Stores

* Downtown and Plaza Liquor Stores operate as a separate Enterprise Fund

- Yearly deposits into the general fund benefitting the tax payers
- Community partnerships
- Promotes public awareness of municipal work and projects





2021 Budget

Making
“cents” of it all

2021 Budget: Guiding Principles

- Significant uncertainty at the state and national level due to COVID-19
- Budget decisions in 2020 made to assist with economic stability in 2021
 - Economic impacts for businesses and individuals will last into 2021
- Evaluation of City Services – Are there things we can stop doing or do differently to reduce costs?
 - END RESULT: small property tax levy increase

2021 Budget: Structural Modifications

- Initiated Early Retirement Incentive Program
 - Seven full-time employees took the option
 - Four were filled and one is being combined with an existing part-time position, thereby creating budget savings
 - A planned new full-time position for 2020 that was unfilled was eliminated from the 2021 budget
- January 2021 will see addition of building inspector through state grant
- Sidewalk and curb repair budget doubled to \$80,000 by reallocating existing funds in budget from (Flowers/Landscaping and Lifeguards)
- Non-personnel expenses were generally held flat across all departments
- Increase Liquor Store Transfer to General Fund to \$255,000

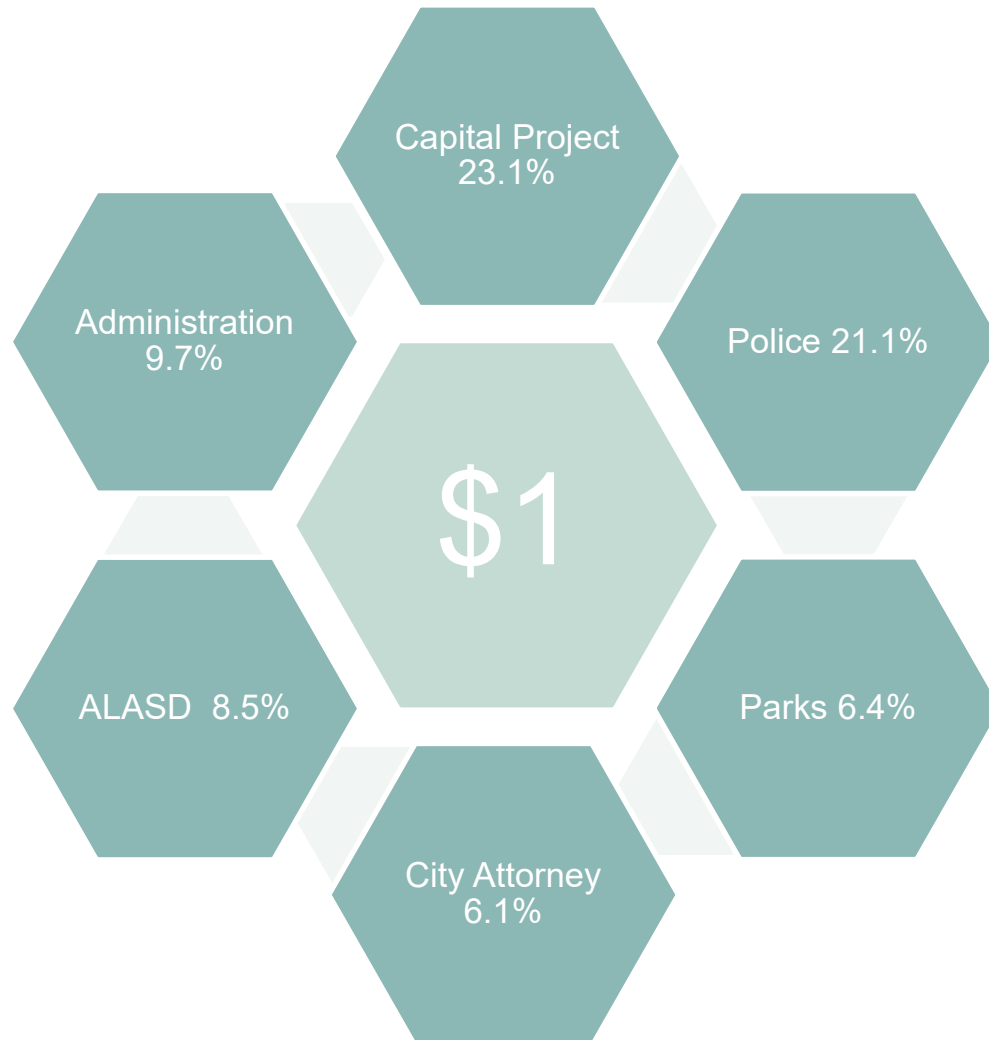
2021 Budget

- \$7,381,920 from the property tax levy
(1.08% increase from 2020)
- Operating Budget (General Fund) increases by
\$71,523 (0.7%)
 - \$5,506,973 from other revenue sources

Other Revenue Sources

- Local Government Aid - \$1,580,165
- ALP Payment-in-Lieu of Taxes - \$1,000,000
 - RCC Ice Rental - \$465,000
 - Building Permits - \$375,000
- Natural Gas Franchise Fee - \$325,000

Where does your \$1 go?



The Bottom Line (City Taxes)

- In 2021, house valued at \$160,000 pays \$625.21
 - 2020 = \$646.46
- In 2017, same house valued at \$160,000 paid \$649.82
 - How can this be? Growth in Tax Base.
- \$160,000 house with a 3% value increase from 2020-2021
City Taxes = \$643.96

Property Tax Comparison

- Review of 2019 Property Tax Rates in 22 Non-Metro Minnesota Regional Centers (population 9,000-27,000)
 - Average City Tax on a \$160,000 home
 - 22 Regional Centers - \$956.58
 - City of Alexandria - \$647.55
- Alexandria has the second lowest city tax rate among all regional centers
 - 5th lowest total tax rate (county, city, school, special levies)

Property Tax Comparison 2021 Preliminary Levies

- 22 Regional Centers adopted an average tax levy increase of 4.4% for 2021 in September 2020
 - Alexandria's 1.1% increase was the lowest increase
 - Sample Parcel Spreadsheet

Questions?