



2022 PRELIMINARY BUDGET AND TAX LEVY

SEPTEMBER 27, 2021

What is a budget?

- ▶ The budget is the single most important policy document a local government adopts
- ▶ Statement of Priorities
- ▶ Control, Management, and Planning Tool



Our WHY: To Make Alexandria the Place You Choose

2022 Budget Process

Budget Committee:

- ▶ Meets April-August
- ▶ Review budget requests from outside entities and department heads
- ▶ Recommendation to City Council



What Happens Tonight:

- ▶ Beginning, not the end
- ▶ Tonight's purpose to adopt a preliminary tax levy and budget
- ▶ Going forward, the proposed tax levy can go down, but cannot go up
- ▶ All other budget elements still can be modified
- ▶ Truth in Taxation Hearing on December 13

2022 Budget Highlights

2021 Budget was Defined by COVID:

- ▶ Early Retirement Program
- ▶ Eliminated positions
- ▶ Flat budget for non-personnel items
- ▶ Smallest levy increase in many years

2022 Budget Priorities:

- ▶ Evaluate impacts of COVID
- ▶ Strategic use of tax levy and ARPA funds to enhance services
- ▶ Replace lost positions with positions of highest need as determined by the City Council
 - ▶ Information Technology
 - ▶ Police
 - ▶ Community Development



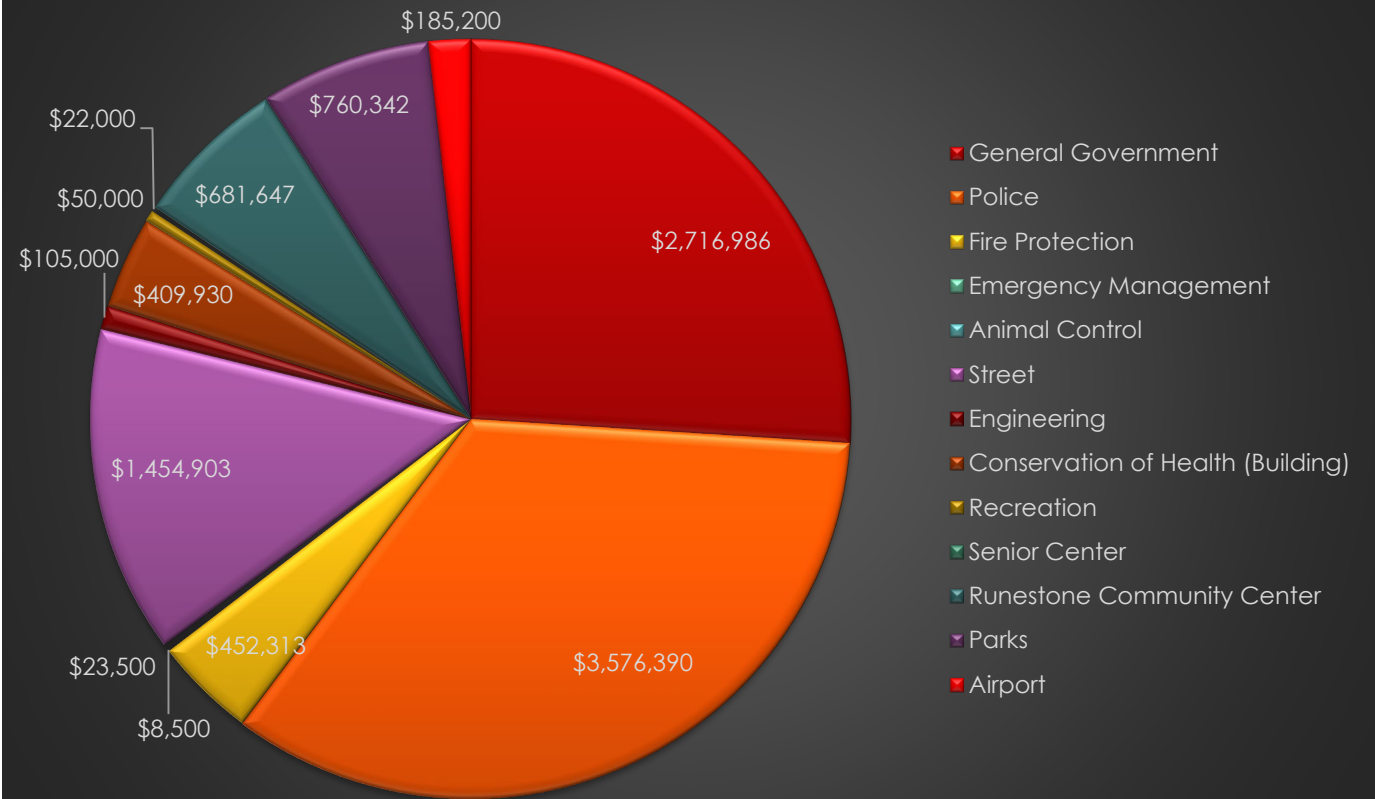
Proposed Budget Breakdown

2022

2022 General Fund Budget

\$10,396,711

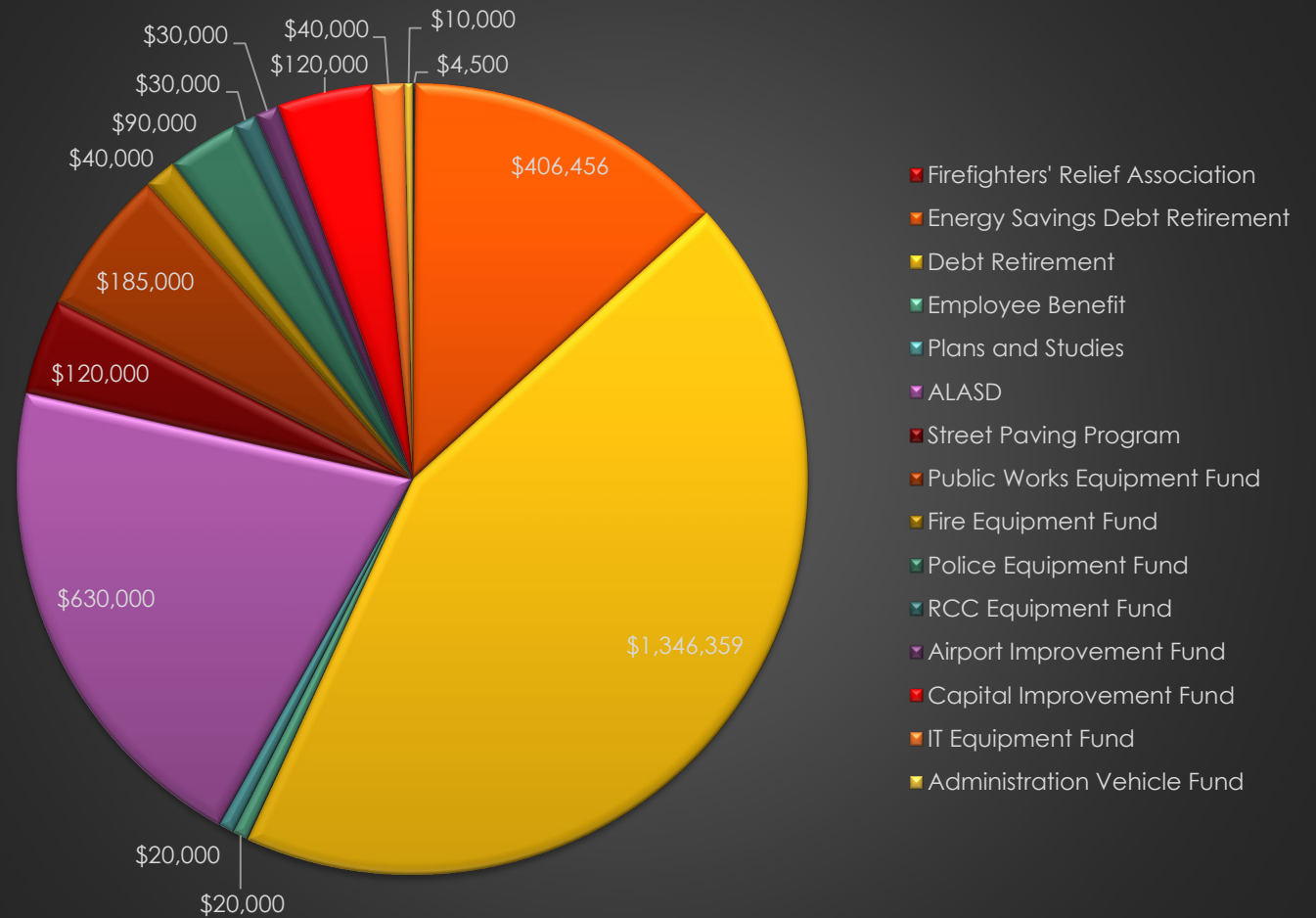
GENERAL FUND



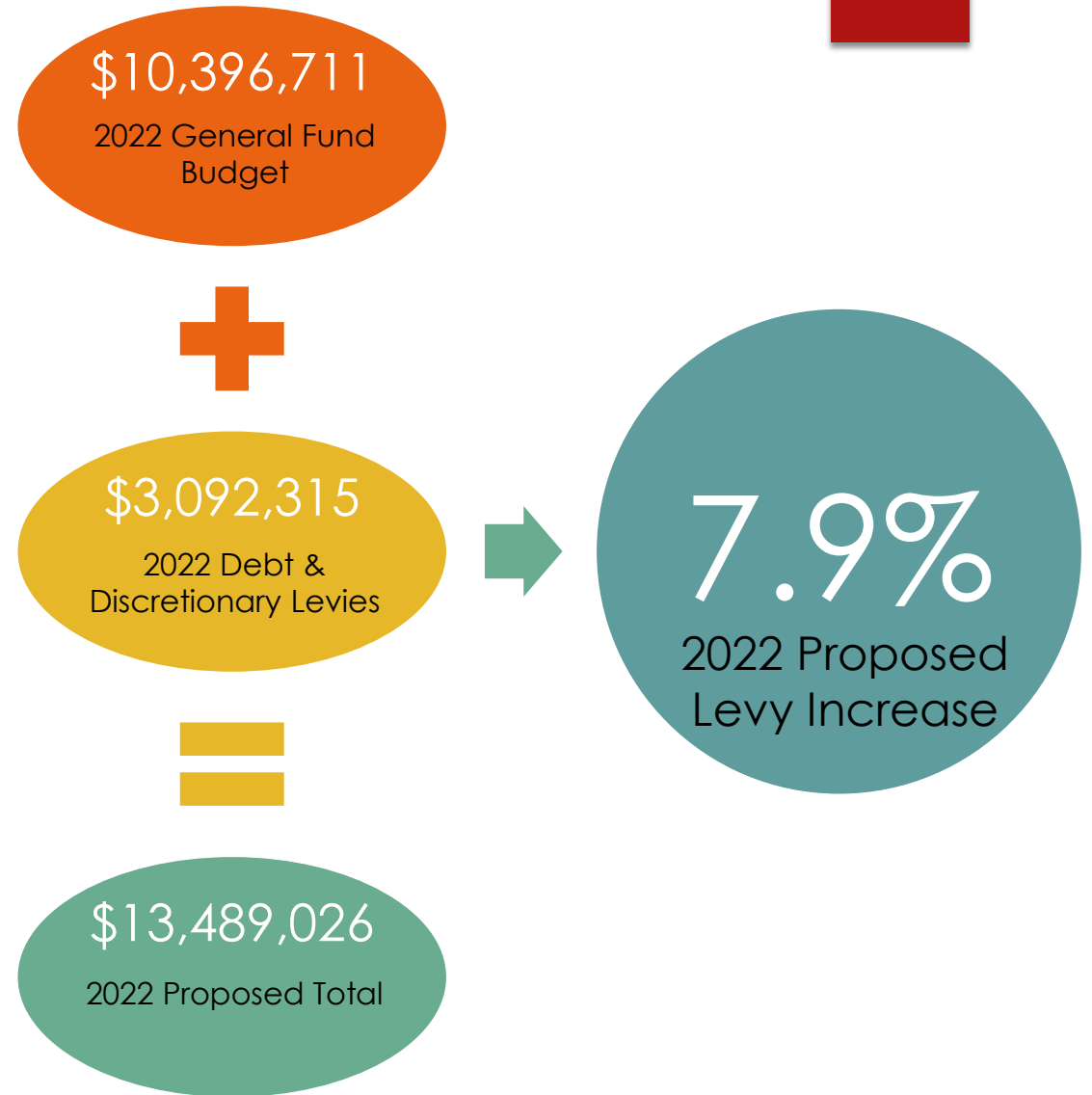
2022 Debt & Discretionary Fund Levies

\$3,092,315

DEBT & DISCRETIONARY FUNDS



2022 Proposed budget Breakdown:



Strategic Alignment

Operational Excellence
Long Term Planning
Sustainable Infrastructure
Safe Communities
Economic Vitality
Communications



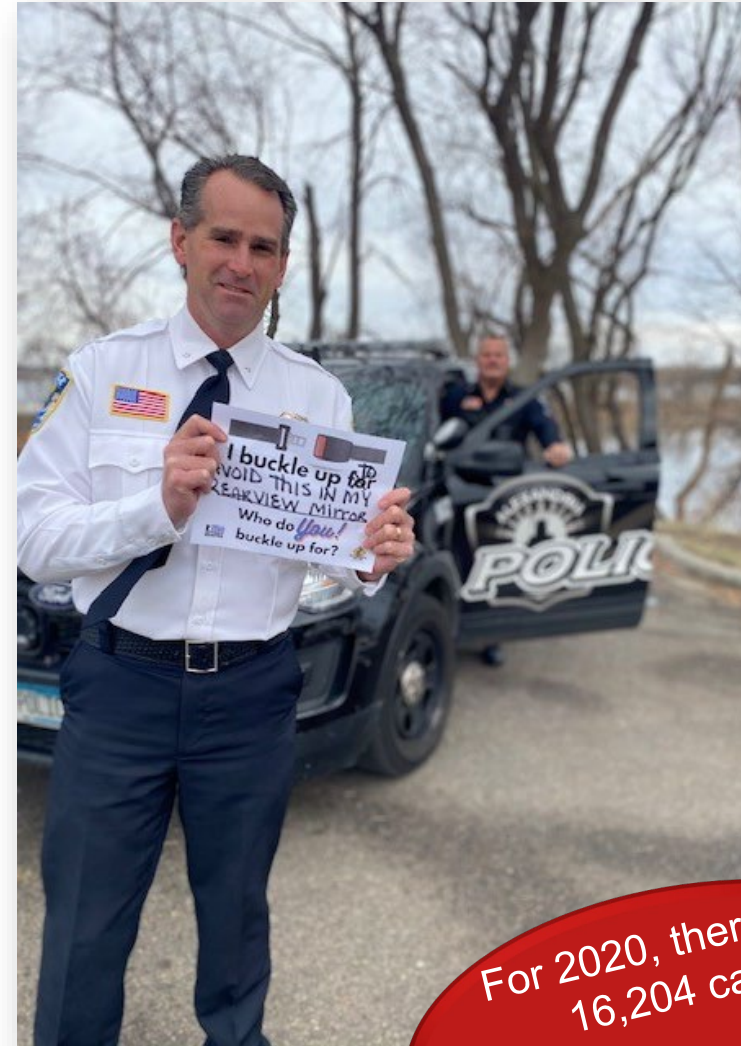


2022 Operating Budget

Police Department

2022 Highlights:

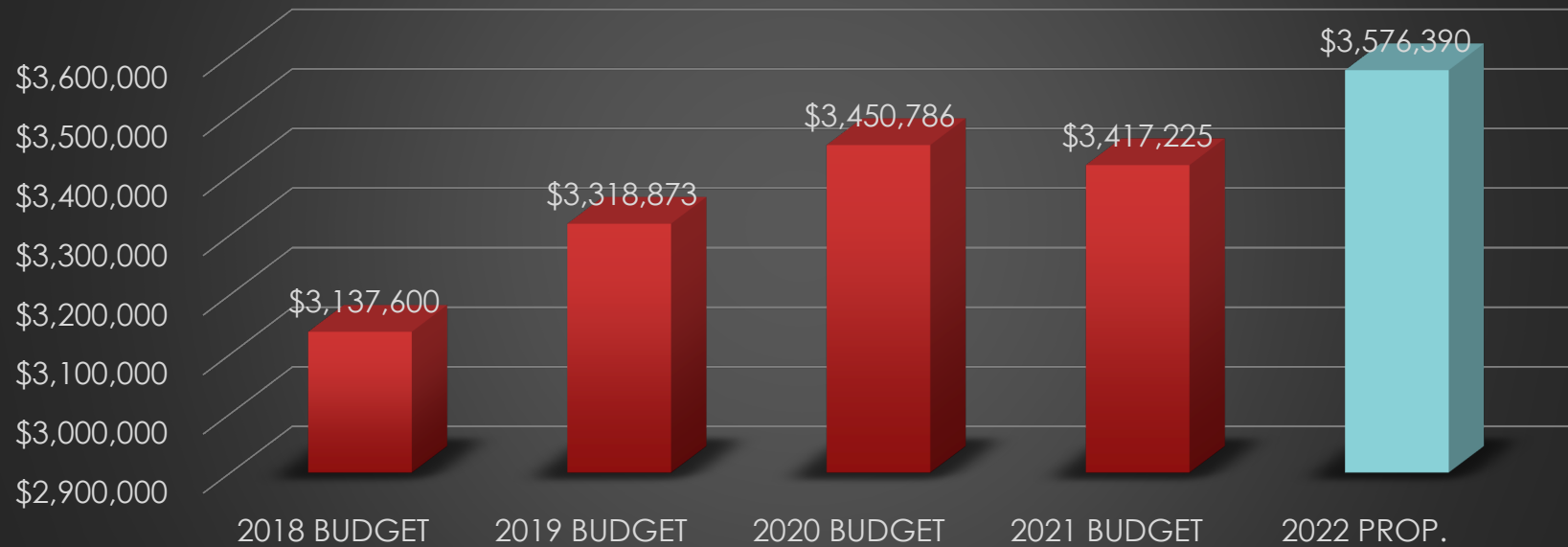
- Community Paramedic Partnership
- ATCC Internship Program
- Emphasis on employee training and wellness
- Additional Officer Position



For 2020, there were 16,204 calls.

So far in 2021, there have been 11,707.

Police Department



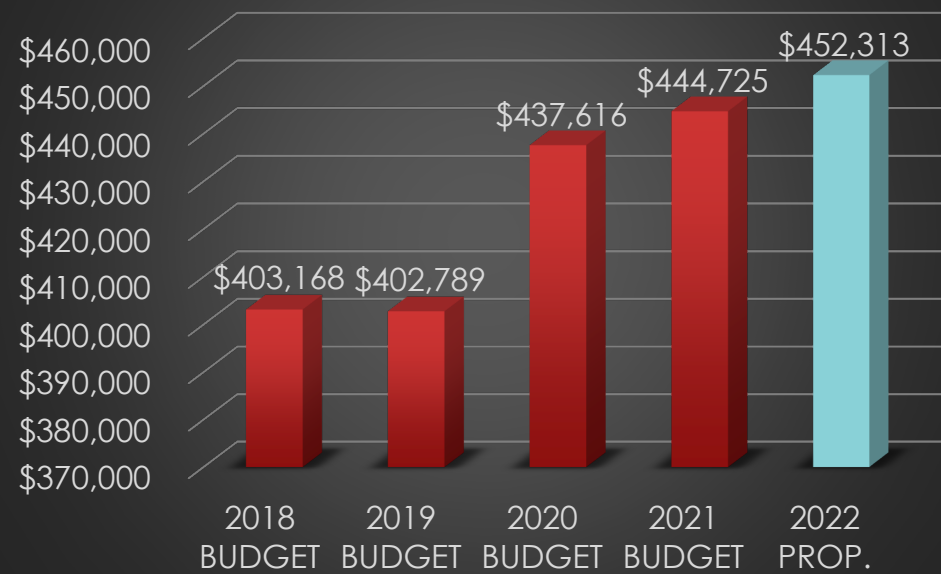
Fire Department - Emergency Mgmt

- 1 FT staff (Fire Chief) and 29 Volunteers
- 3 new firefighters added in 2021
- Continuing challenges in finding new volunteers
- Evaluating future service models
- New Aerial set to arrive in late 2021;
New rescue truck in 2022
- Focus on employee wellness
- Hazard Mitigation Plan Update

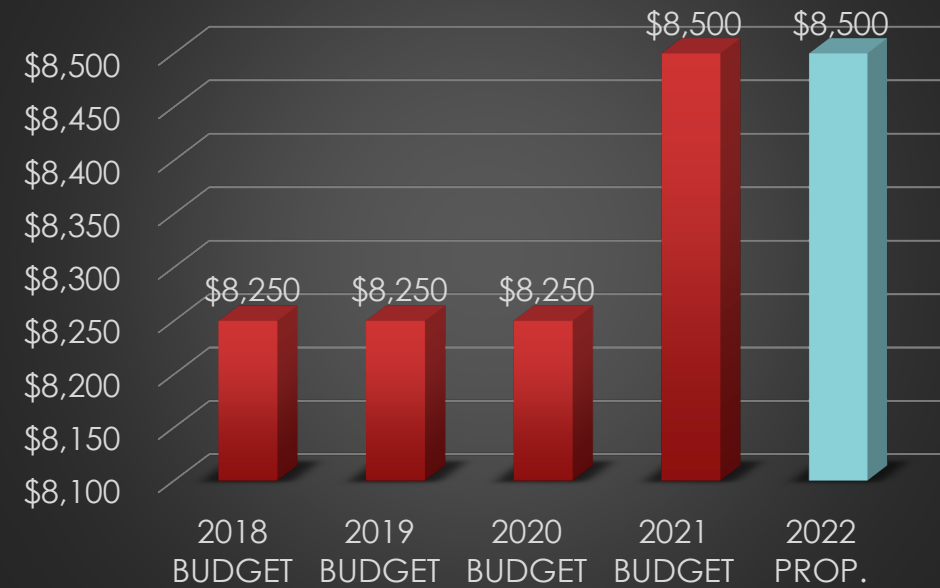
AFD responded to 199
calls in 2020
62 of them were active
fires



Fire Department



Emergency Management



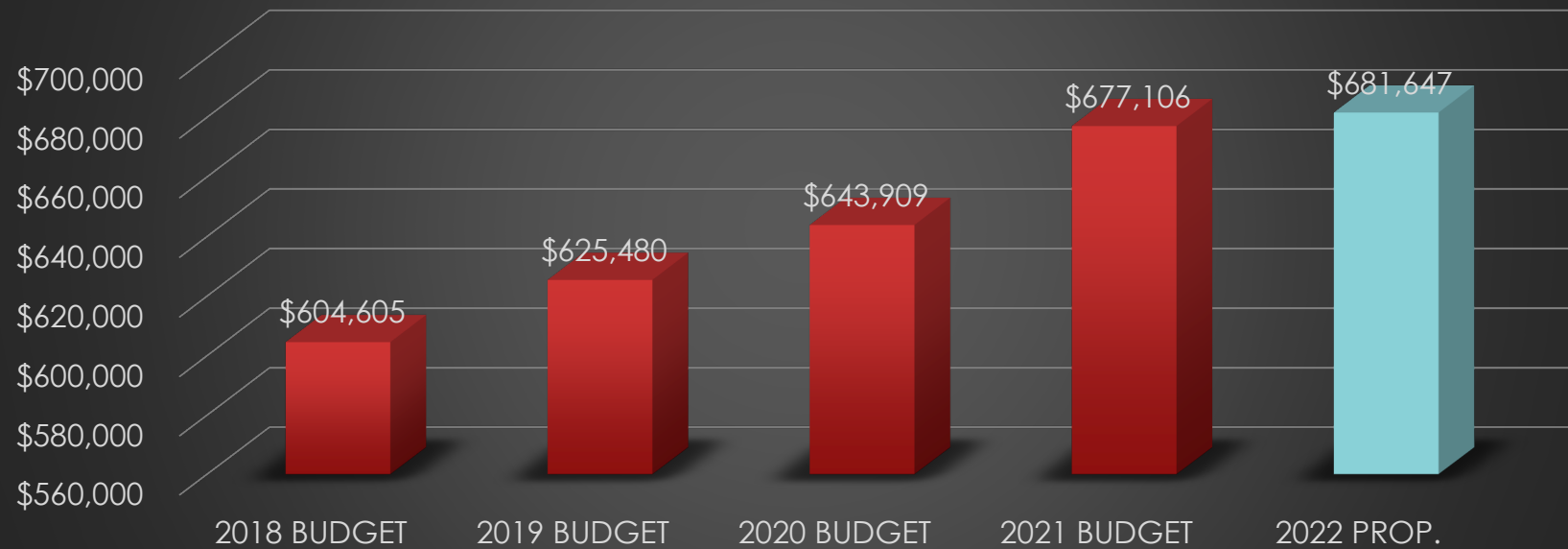
Runestone Community Center

- In design phase for expansion of the Runestone Community Center
- Return of dry floor events in 2021
- Busy schedule of ice events included more spring/summer tournaments
- COVID required significant changes to operations



In one year, the Zambonis put on the same amount of miles that it takes to drive to California

Runestone Community Center



Public Works: Streets

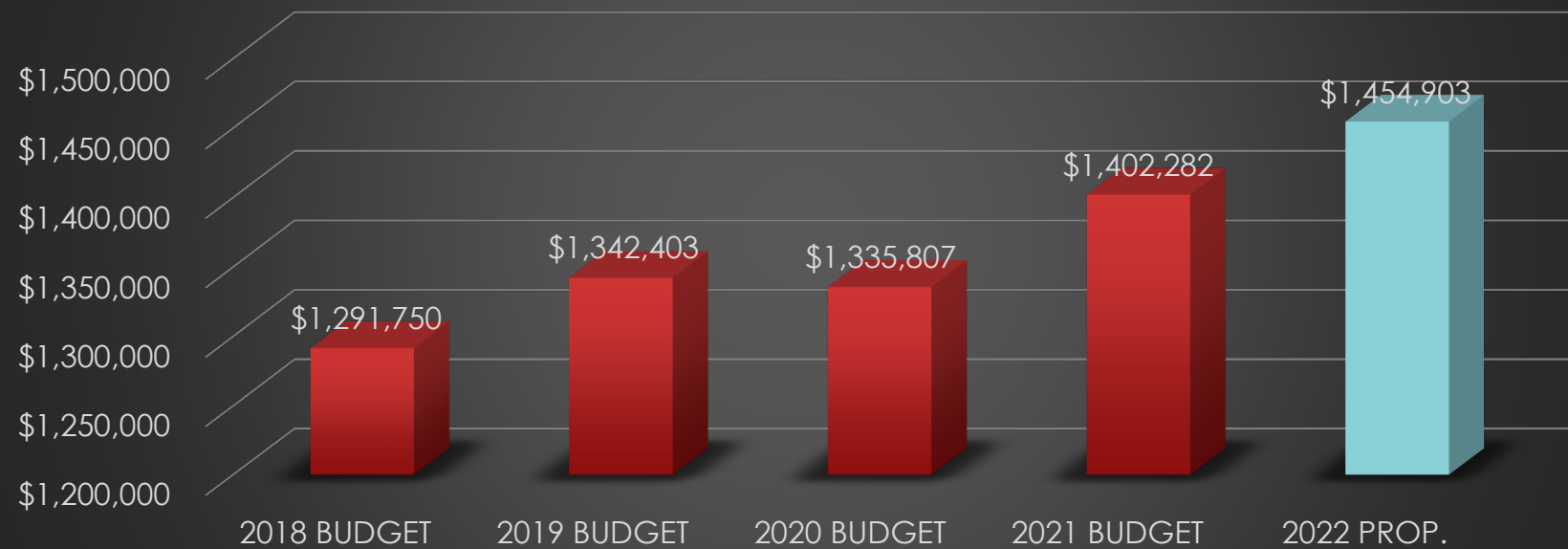
2022 Highlights

- Annual overlay project
- Increase in asphalt repair budget
- Additional funding for sidewalk repair/improvement
- TMDL implementation
- 18th Avenue construction

All 700 yards of sediment collected in the street sweepers is recycled into class 5 for other road projects



Public Works: Streets



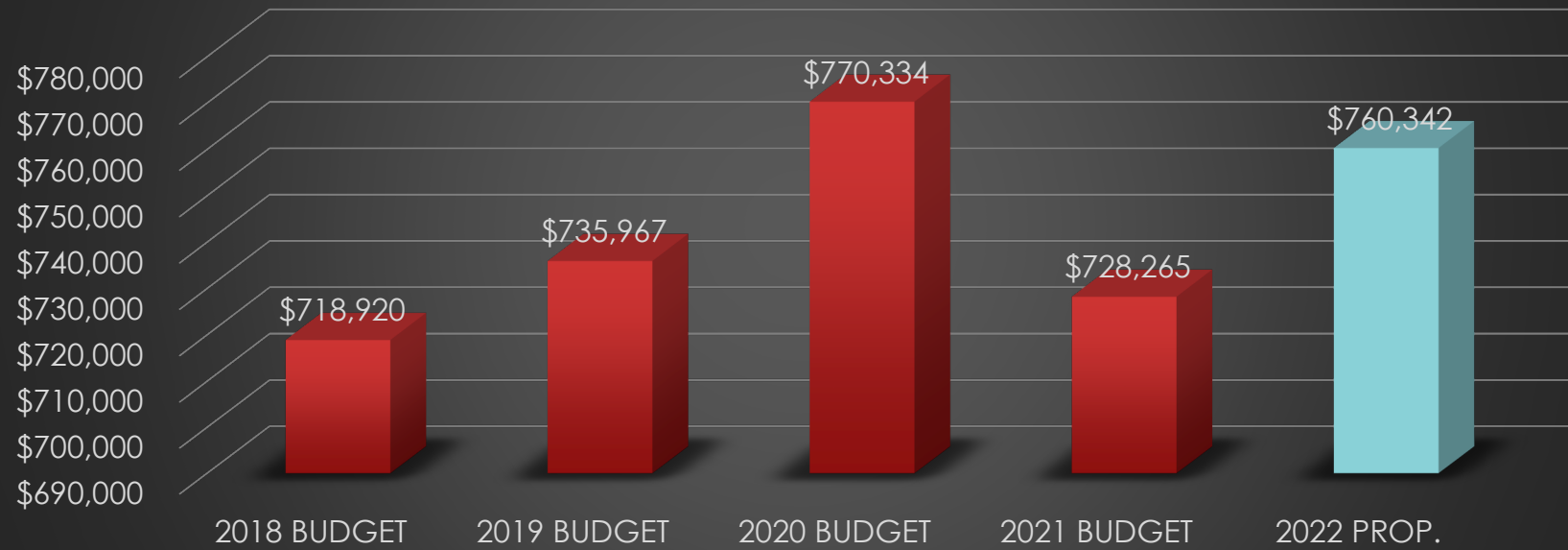
Public Works: Parks

- High use during first full year of City Park Pickleball courts
- Planning stages for improvements to Knute Nelson Memorial Park
- Lease Program for Public Works Vehicles
- Management of additional trails/sidewalks



The Park Department maintains 250 acres of land: 22 parks, 3 parking lots and 20,000 flowering plants.

Public Works: Parks



Airport

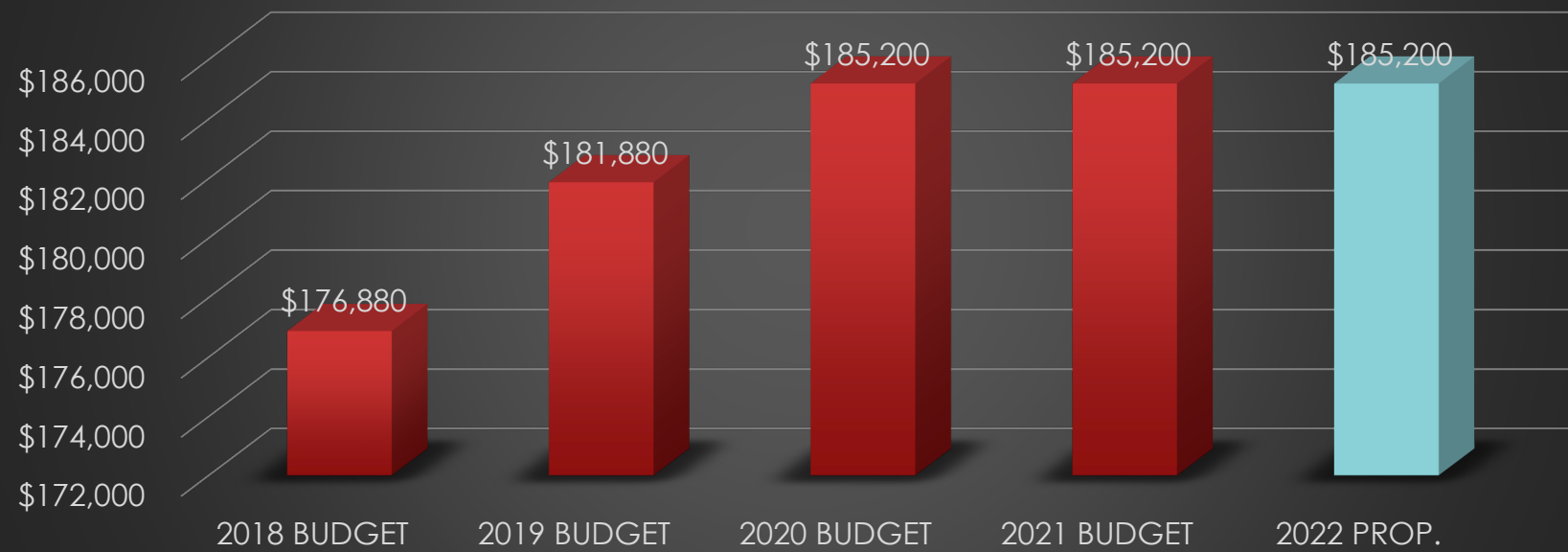
Alexandria's airport ranks 13th busiest among all 134 public airports in the state for number of based aircraft, including all commercial airports such as MSP.

- Completion of new 10 unit T-hanger; rental spaces are now filled
- Bellanca Building renovation is complete
- GPS Instrument approach on Runway 13 is being evaluated and drafted by FAA
- New fuel system in 2022
- Runway reconstruction in 2023 or 2024 with upgraded lighting system

The current land of the AXN was once an open land known as Raiter's Pasture. Airplanes were allowed to land in any direction.



Airport



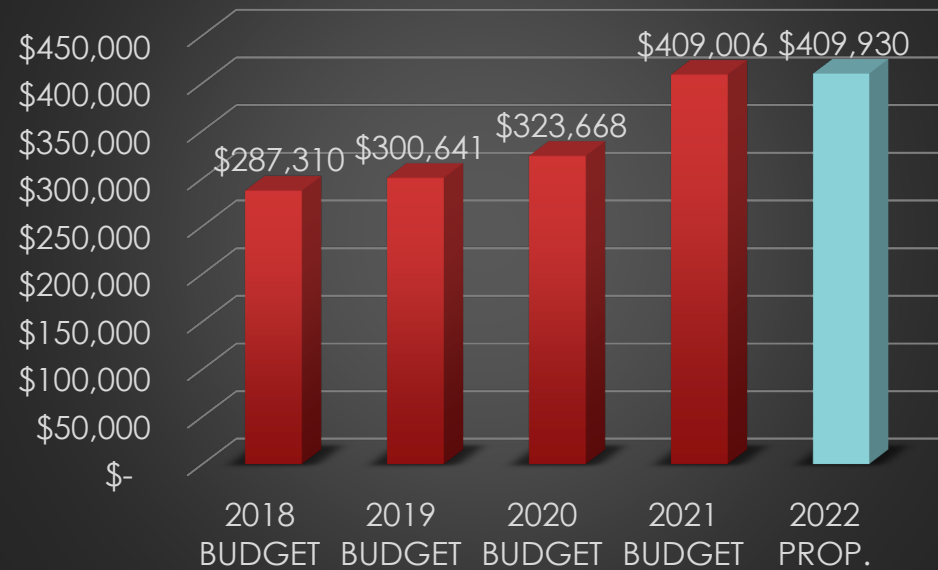
Community Development

- New building inspector position
- Significant increase in building permits
- Enhanced abatement of nuisances
- Addition of Community Development staff in 2022

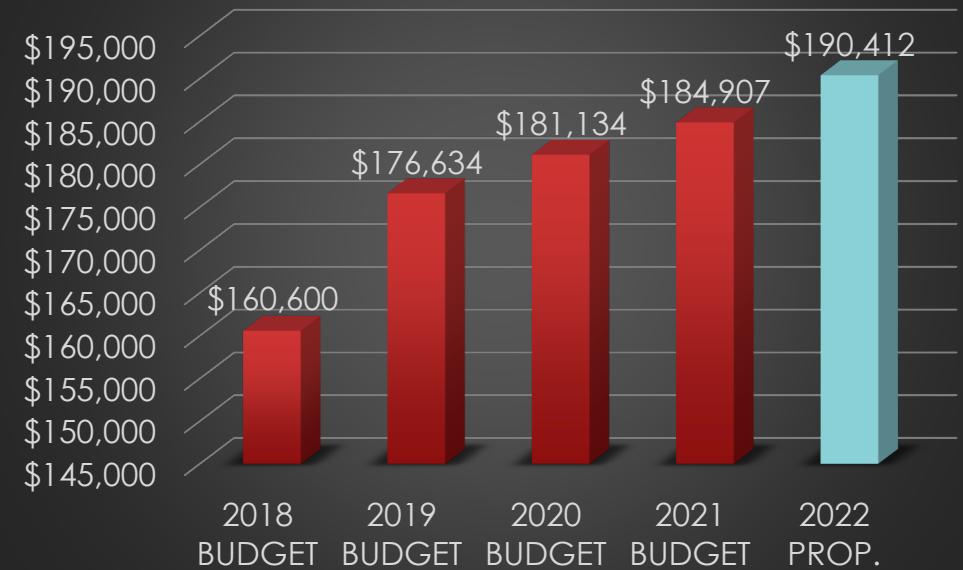


The Building Dept serves over 71 square miles of area: 18 COA, 30 2-mile radius and 24 Alex Township.

Building Department



Community Development



Assessing

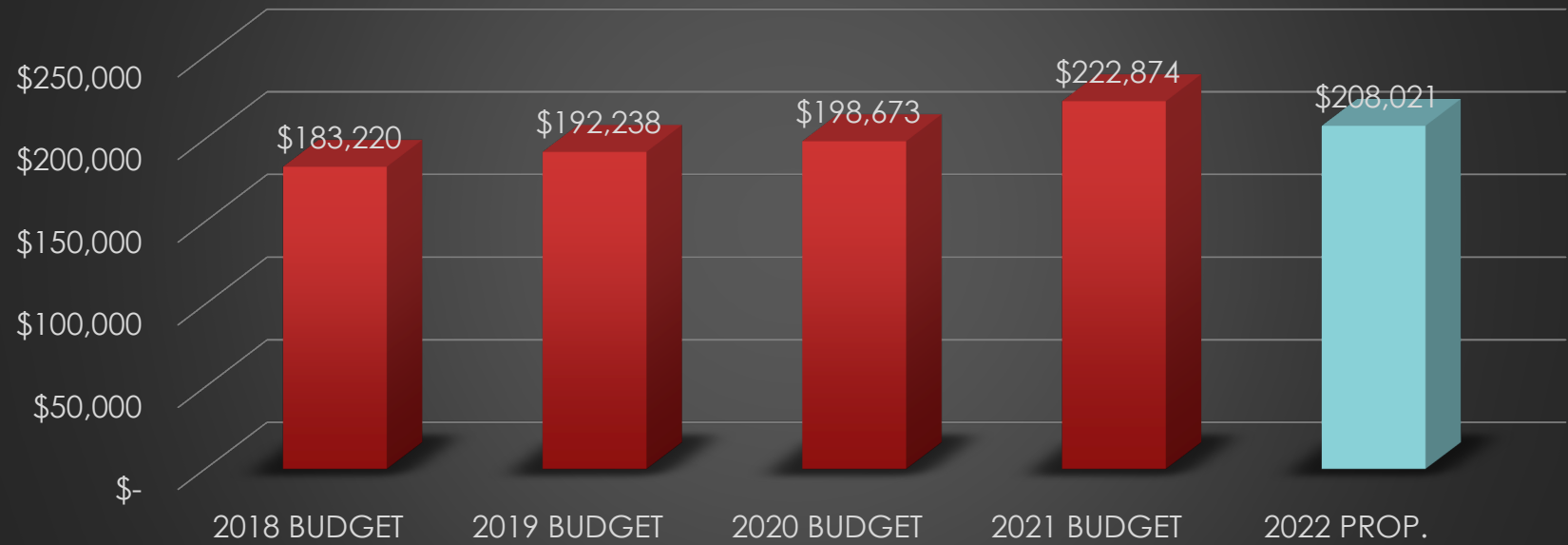
This department directs and manages the valuation and classification of all property in the City.

- Integration of new Assistant City Assessor
- Adjusting typical duties due to COVID-19
- Houses of all types/conditions selling after being on the market for only days or even hours, rather than weeks or months as is typical
- New homes being built and sold even with the spike in building material costs
- Median sale price of single family homes is over \$230,000, up from \$210,000 last year



Sales of mobile home parks are relatively rare, but 2 happened in 2021

Assessing



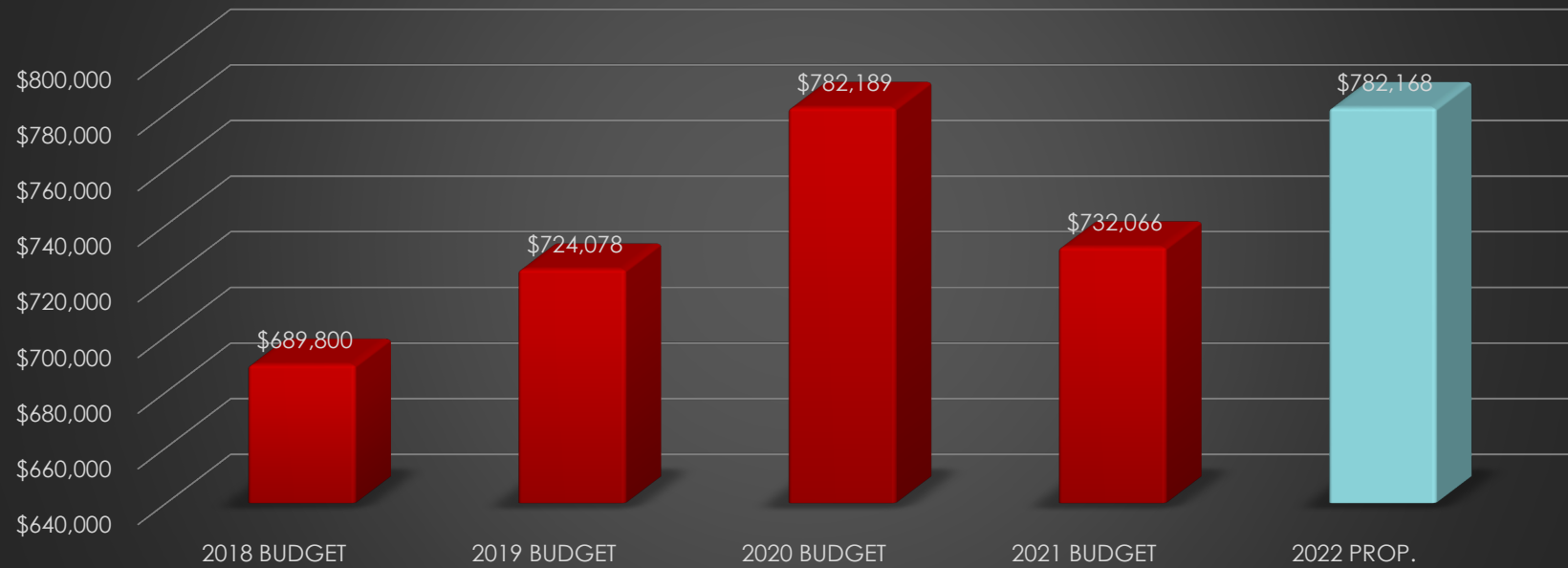
Administration/ Finance

- Implementation of new HR software
- Management of CARES Act & ARPA funds
- New policy development
- Finance presentations to City Council
- Focus on employee wellness
- New strategies for acquisition of capital equipment

The City of Alexandria is expected to receive \$1,462,600 in Fiscal Recovery Funds through the American Rescue Plan Act



Administration/Finance



Liquor Stores

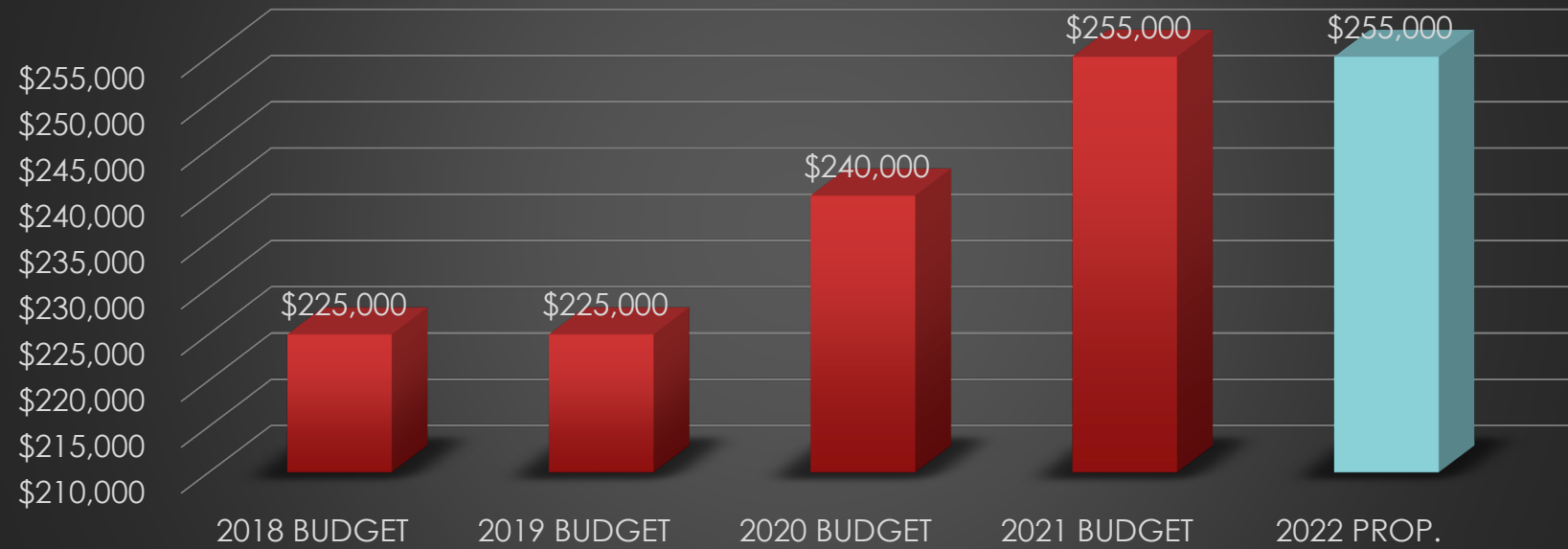
* Downtown and Plaza Liquor Stores operate as a separate Enterprise Fund

- 2020 and 2021 have seen significant increase in sales
- Evaluating how to use liquor stores funds for specific capital projects
- New website with online ordering is now live



Shop ONLINE!
[Alexandrialiquor.com](https://alexandrialiquor.com)

Liquor Store Transfers



2022 Budget Analysis



Budget Comparison:

2021 Actual vs. 2022 Proposed



- ▶ \$7,964,897 from the property tax levy (7.90% increase from 2021)
- ▶ Operating Budget (General Fund) increases by \$404,610 (4.05%)
- ▶ \$5,524,129 from other revenue sources

Revenue Sources

Top Five Revenue Sources
after Property Taxes:

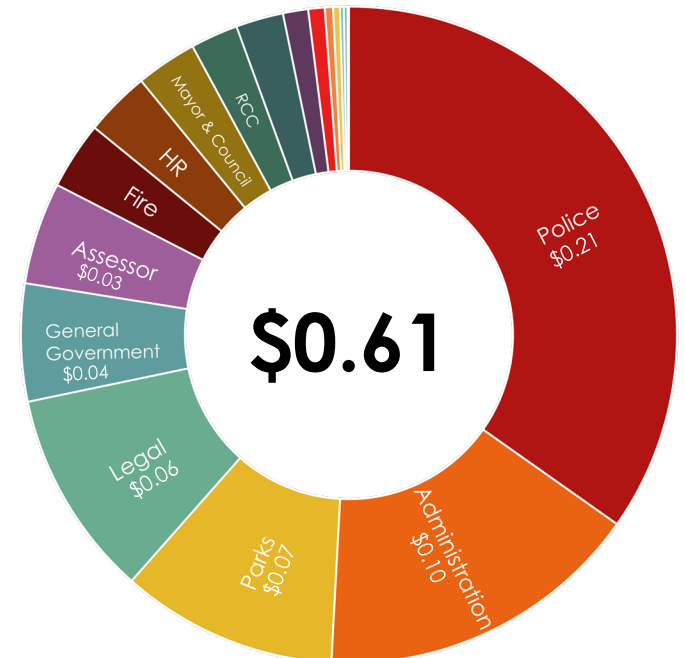
- ▶ Local Government Aid – \$1,591,153
- ▶ ALP Payment-in-Lieu of Taxes – \$1,000,000
- ▶ RCC Ice Rental – \$473,267
- ▶ Building Permits - \$375,000
- ▶ Natural Gas Franchise Fee - \$325,000

How are City tax dollars spent?

2022 Tax Dollar Distribution

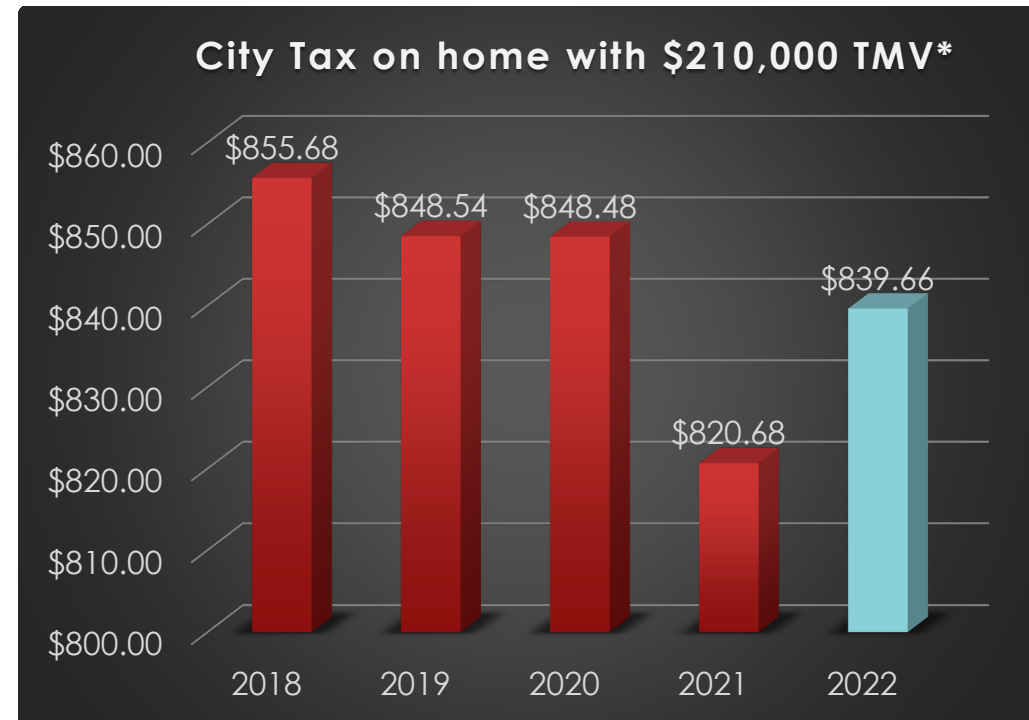


General Fund



The Bottom Line:

- ▶ In 2022, house valued at \$210,000 pays \$839.66
- ▶ In 2018, a house valued at \$210,000 paid \$855.68
- ▶ How can this be? Growth in Tax Base
 - ▶ 20.7% growth from 2018-2022
- ▶ Growth is a combination of new development and increased property values



Regional Center Comparison

How does Alexandria stack up against 22 other regional center in some key budget/tax metrics?

Property Tax Levy Increase from 2020-2021	2021 City Tax Rate	2021 City Taxes for a \$210,000 Home	2021 Levy + Local Government Aid Per Capita
<ul style="list-style-type: none">• Average - 3.71%• Alexandria - 1.08%	<ul style="list-style-type: none">• Average 62.54%• Alexandria 39.08% (lowest rate among all 22 cities)	<ul style="list-style-type: none">• Average - \$1,313.44• Alexandria - \$820.68	<ul style="list-style-type: none">• Average - \$724.91• Alexandria - \$625.38

What's Next?

Tell us what you think!

Participate in the Final Budget
Hearing on December 13,
2021 at 7:15pm

