



## 2022 FINAL BUDGET AND TAX LEVY

DECEMBER 13, 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:

- ▶ The City Council will vote to adopt a resolution finalizing the 2022 budget and tax levy

☒ YES

☐ NO



# 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



# Budget Breakdown

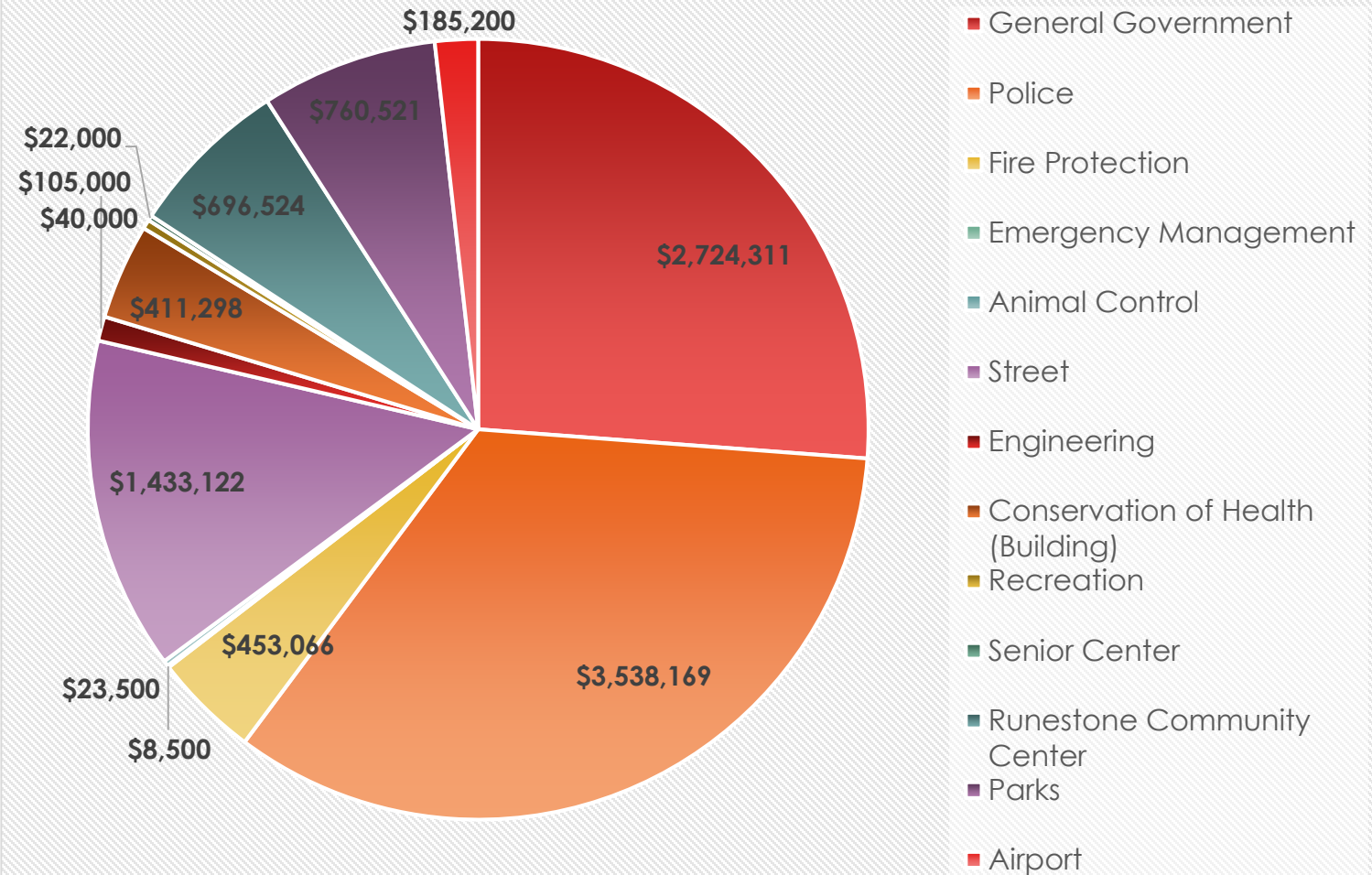
**2022**



## 2022 General Fund Budget

**\$10,401,211**

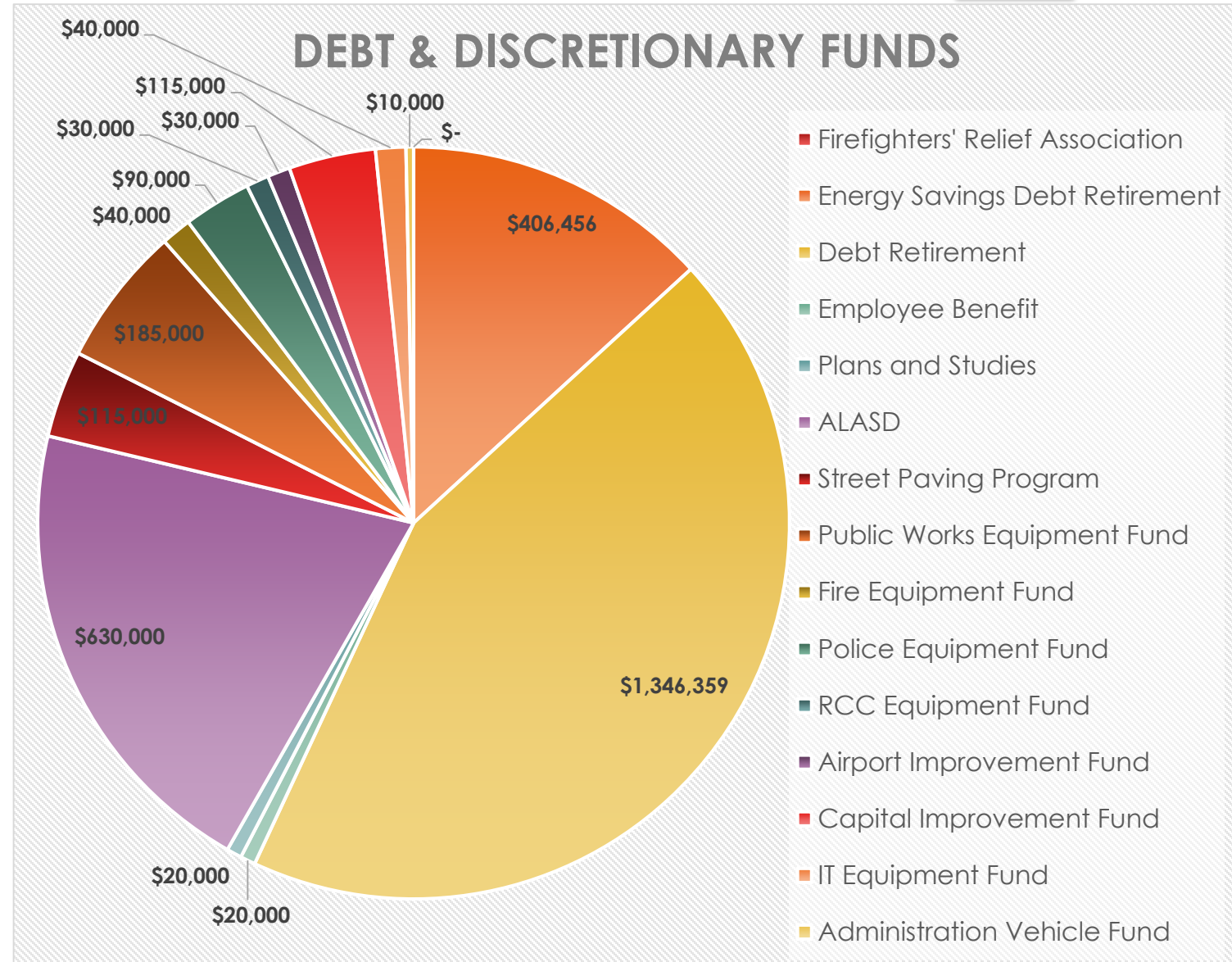
## GENERAL FUND



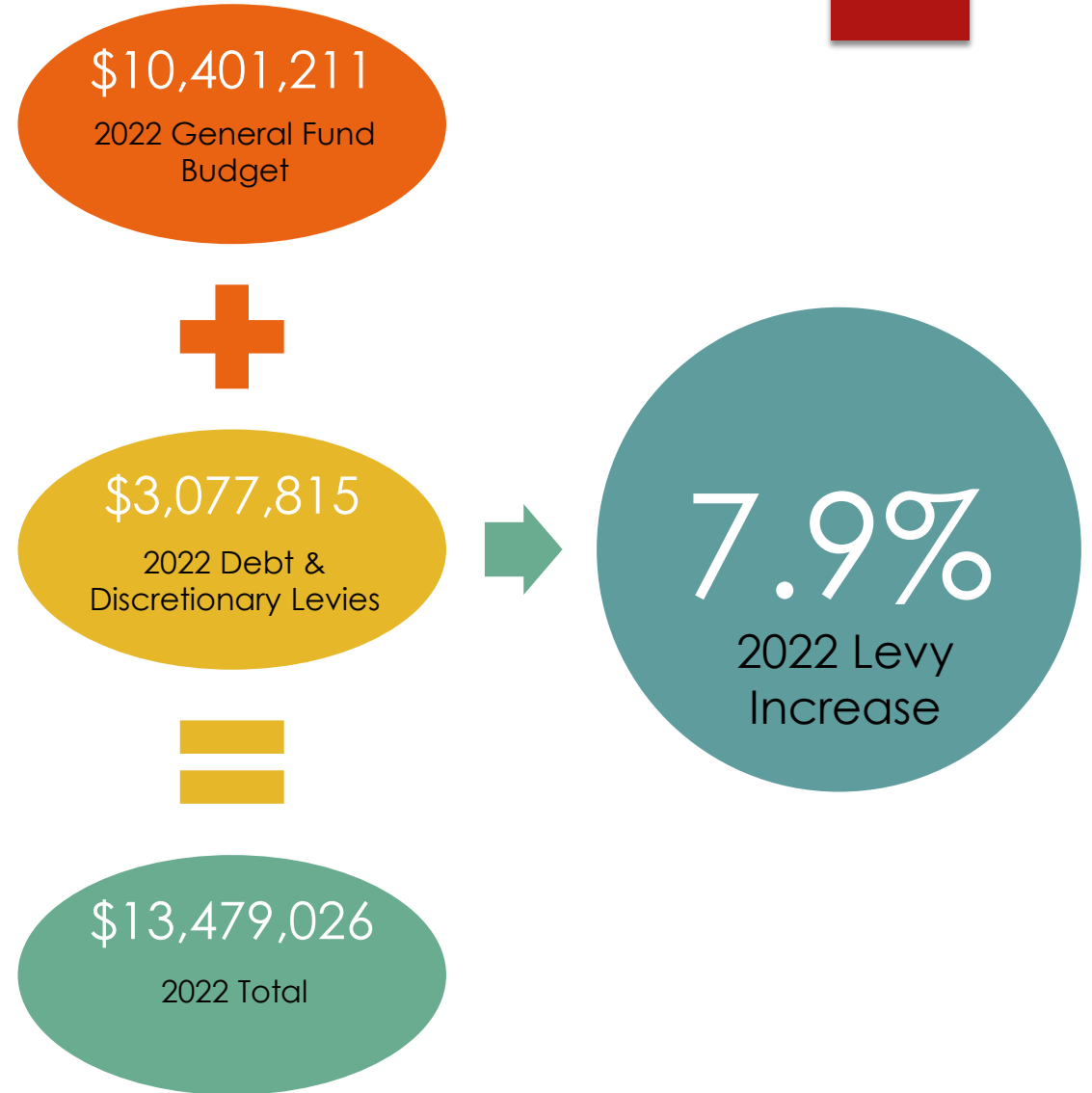
**2022 Debt & Discretionary  
Fund Levies**

**\$3,077,815**

**\$3,077,815**



# 2022 budget Breakdown:





# Strategic Alignment

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







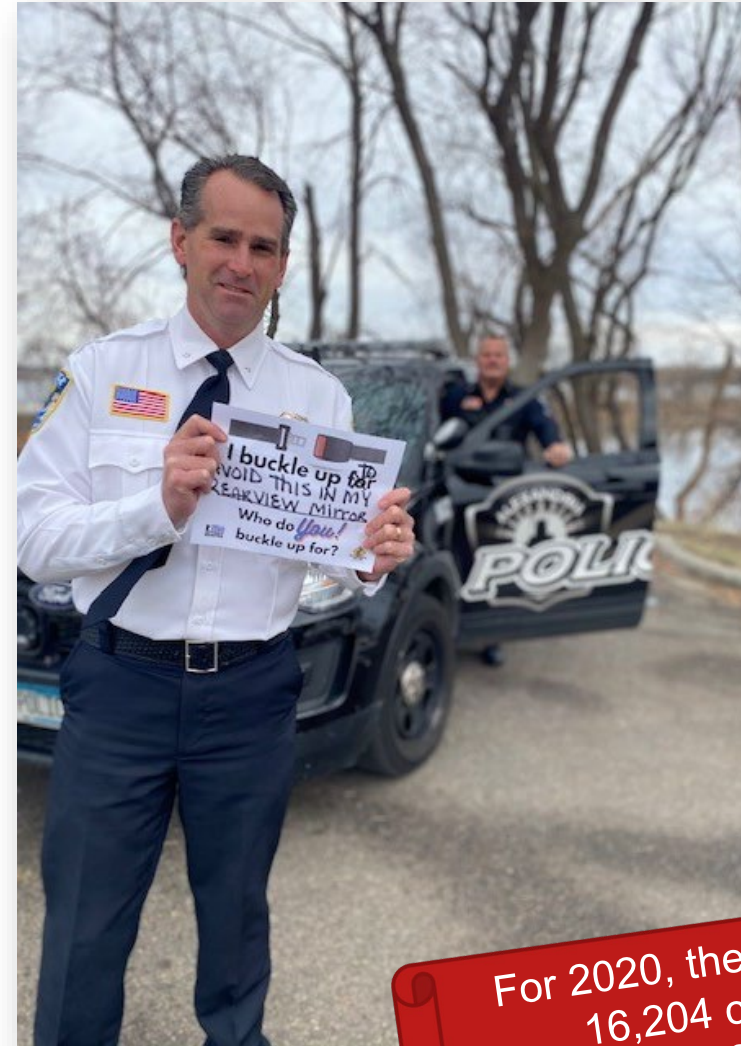
## 2022 Operating Budget

# Police Department

2022 Budget \$3,538,169

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



# Fire Department - Emergency Mgmt

2022 Budget \$453,066

- 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



# Runestone Community Center

2022 Budget \$696,524

- 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



# Public Works: Streets

2022 Budget \$1,433,122

2022 Highlights

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

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

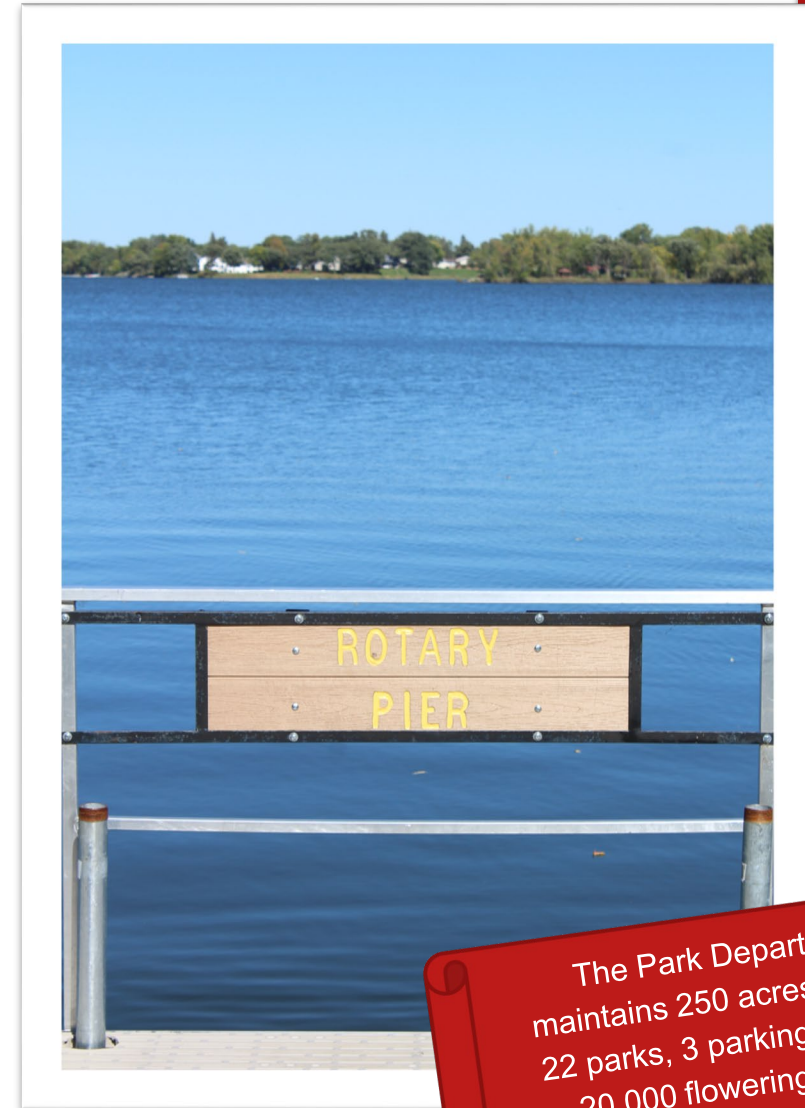




# Public Works: Parks

2022 Budget \$760,521

- 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

# Airport

2022 Budget \$185,200

Alexandria's airport ranks 13<sup>th</sup> 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.





# Community Development

2022 Budget \$602,445

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



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



# Assessing

2022 Budget \$208,893

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

# Administration/ Finance

2022 Budget \$785,349

- 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 \$1,510,499 in Fiscal Recovery Funds through the American Rescue Plan Act



# 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](http://Alexandrialiquor.com)



# 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 \$409,610(4.09%)
- ▶ \$5,514,129 from other revenue sources



# Revenue Sources

Top Five Revenue Sources  
after Property Taxes:

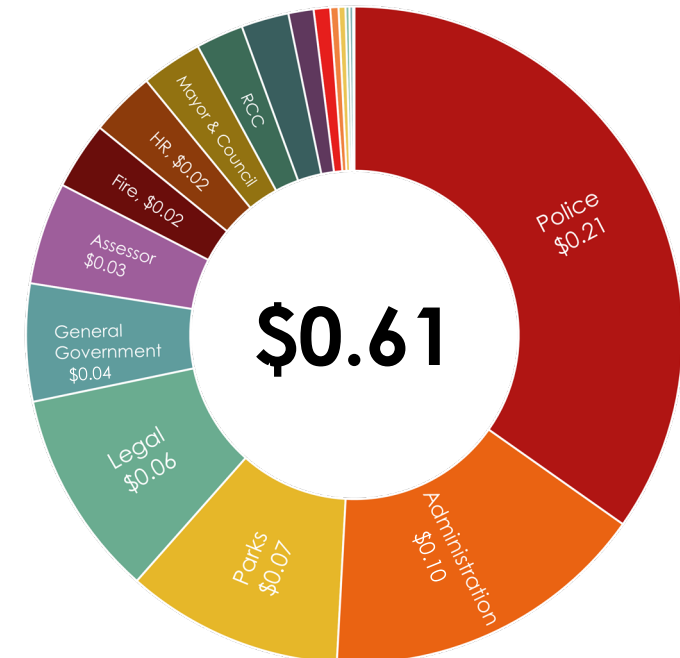
- ▶ Local Government Aid – \$1,591,153
- ▶ ALP Payment-in-Lieu of Taxes – \$990,000
- ▶ RCC Ice Rental – \$473,267
- ▶ Building Permits - \$375,000
- ▶ Natural Gas Franchise Fee - \$325,000

# How are City tax dollars spent?

2022 Tax Dollar Distribution



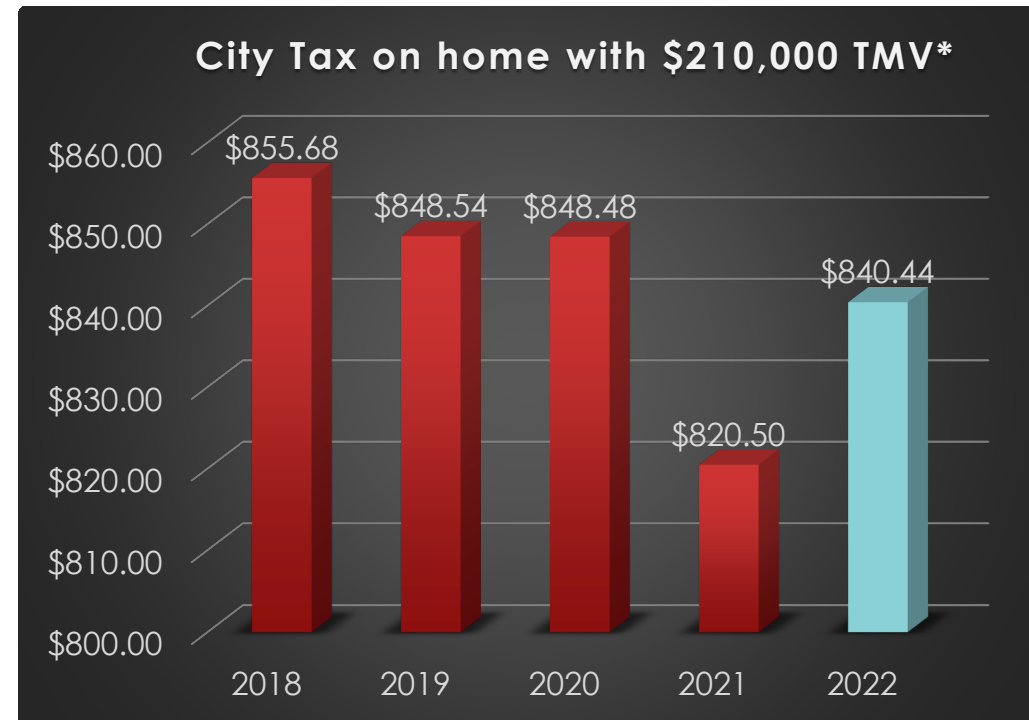
General Fund Distribution





# The Bottom Line:

- ▶ In 2022, house valued at \$210,000 pays \$840.44
- ▶ 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



# How to Read Your Proposed Tax Statement

## Step 1:

- Estimated Market Value – property value as determined by the Assessor to be what the property would most likely sell for on the open market
- Homestead Market Value Exclusion – Applies to residential homesteads and to the house, garage, and one acre of land on agricultural homesteads and has a maximum exclusion limit of \$30,400
- Taxable Market Value – Property value for the tax year reduced by applicable limitations, exclusions, exemptions and deferrals
- Property Class – that has been assigned to your property based on its use and is used to determine the tax capacity of a property

## Step 2:

- Total proposed property tax, excluding any special assessments, based on taxable market value

## Step 3:

- Statement will be mailed in the spring of 2022 with the final amount of property taxes owed

## Your Proposed Property Tax for 2022

- THIS IS NOT A BILL - DO NOT PAY -

IMPORTANT INFORMATION IS PRINTED ON THE BACK OF THIS FORM

Property ID: 63-0000-000

Taxpayer # 00000

### VALUES AND CLASSIFICATION

Step	Taxes Payable Year		2021	2022
1	Estimated Market Value:		213,500	226,800
	Homestead Exclusion:		18,025	16,828
	Other exclusions/deferrals:			
	Taxable Market Value:		195,475	209,972
	Property Class:		RES HSTD	RES HSTD

## Step

2

### PROPOSED TAX

Property Taxes before credits:	2,572.00
School building bond credit:	.00
Agricultural market value credit:	.00
Other credits:	.00
Property Taxes after credits:	2,572.00

## Step

3

### PROPERTY TAX STATEMENT

Will be mailed to you in Spring of 2022



Proposed Property Taxes and Meetings by Jurisdiction for Your Property				
Contact Information	Meeting Information	Actual 2021	Proposed 2022	
DOUGLAS COUNTY BOARD OF COMMISSIONERS 821 CEDAR ST, ALEXANDRIA PH: (320)762-3077	DEC 2, 2021 @ 6:30PM COUNTY ADMINISTRATION BLDG USE WEST DOOR - 821 CEDAR ST	890.02	949.75	
ALEXANDRIA CITY 704 BROADWAY ALEXANDRIA MN 56308 PH: (320)763-6678	DEC 13, 2021 @ 7:15PM ALEXANDRIA CITY HALL 704 BROADWAY, ALEXANDRIA	764.07	840.36	
STATE GENERAL TAX		.00	.00	
IND SCH DIST 206 1410 S MCKAY AVE ALEXANDRIA MN 56308 PH: (320)762-2141	DEC 20, 2021 @ 7:00 PM ISD 206 DIST OFFC - WOODLAND 1410 S MCKAY AVE, ALEXANDRIA			
SCHOOL VOTER APPROVED LEVIES		342.26	365.40	
SCHOOL OTHER LOCAL LEVIES		392.87	373.94	
SPECIAL TAXING DISTRICTS		39.78	42.55	
TAX INCREMENT		.00	.00	
<b>TOTAL</b> Excluding Special Assessments	Percent Change	5.8 %	2,429.00	2,572.00

\*Excludes any voter approved referendums

Total Tax Capacity: \$2,100

Jurisdiction	Proposed Tax Rate
Douglas County	45.22%
City of Alexandria	40.01%
School District 206	17.80%
Special Taxing Districts	2.02%
<b>*2022 Total Tax Rate</b>	<b>105.05%</b>

$$\begin{array}{c} \text{*Total Tax Rate} \\ \text{105.05\%} \end{array} \times \begin{array}{c} \text{Total Tax Capacity} \\ \text{\$2,100} \end{array} = \begin{array}{c} \text{2022 Proposed Taxes} \\ \text{\$2,206.05} \end{array}$$

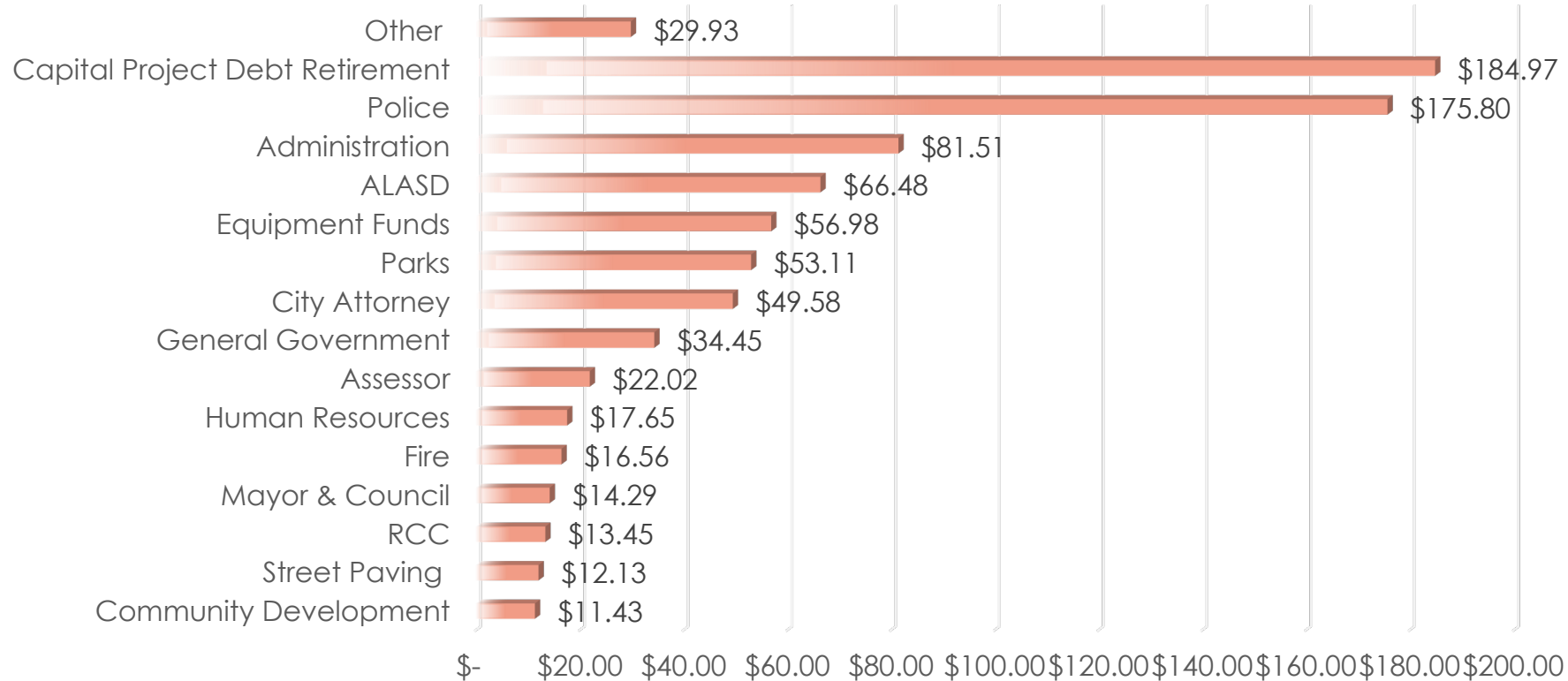
# What do I Pay For?

**ALEXANDRIA CITY**  
**704 BROADWAY**  
**ALEXANDRIA MN 56308**  
**PH: (320)763-6678**

DEC 13, 2021 @ 7:15PM  
ALEXANDRIA CITY HALL  
704 BROADWAY, ALEXANDRIA

764.07

840.36





# 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 Total Tax Rate
<ul style="list-style-type: none"><li>• Average - 3.71%</li><li>• Alexandria - 1.08%</li></ul>	<ul style="list-style-type: none"><li>• Average 62.54%</li><li>• Alexandria 39.08% (lowest rate among all 22 cities)</li></ul>	<ul style="list-style-type: none"><li>• Average - \$1,313.44</li><li>• Alexandria - \$820.50</li></ul>	<ul style="list-style-type: none"><li>• Average – 134.77%</li><li>• Alexandria – 105.05%</li></ul>

## What's Next?

Council takes action on the resolution adopting the 2022 final budget and tax levy

