



# 2024 Budget

September 5, 2023



**CITY of CRYSTAL**



# Agenda

- **Budget Goals**
- **Council Goals**
- **Budget Timeline**
- **2024 Budget factors**
- **General Fund Summary of revenue and expenditures**
- **Overview of Increase**
- **EDA Summary**
- **Property Tax Levy**
- **Tax Impacts**
- **Council Comments and/or Questions**



# Budget Goals

- ✓ **Meet service demands of the community and legislative mandates while striving for minimal impact to taxpayers.**
- ✓ **Meet Council's four priorities.**
- ✓ **Provide sound financial planning for a two-year budget that ensures continued core services.**
- ✓ **Continue to fund future capital needs including Parks & Street Improvements.**
- ✓ **Monitor economic challenges.**
- ✓ **Provide competitive wages and benefits to attract and retain quality people to provide effective and efficient services to our residents and businesses.**



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# Council Goals

## ❑ **Thriving Business Climate**

- Beautification and branding (seasonal planters, banners, litter clean-up along major corridors)
- Outreach to prospective businesses and promotion of new business openings

## ❑ **Strong Neighborhoods**

- Implementation of Parks Master Plan
- Home improvement grants and loans
- Code enforcement
- Public safety

## ❑ **Sound Financial Policies**

- Biennial budget
- Long term plan
- Utility Study

## ❑ **Welcoming/Inclusive Community**

- Inclusive play areas
- Joint Community Police Partnerships
- Continued partnership with embedded domestic advocacy group
- Community events
- Partnership with Hennepin County – mental health programming





# Budget Timeline

<b>September 5th</b>	Council to consider preliminary adoption of budget and levies
<b>October 3rd</b>	Public input presentation
<b>December 5th</b>	Receive Public Input and Council to consider final budget and levies



# Impacts for 2024

- Utilities staffing increase – one person for meter maintenance and replacements (Paid for by Utility Funds NOT General Fund)
- Police staffing increase –Crime Analyst position
- Three Elections
- Planned capital levy increases
- Worker compensation and insurance premium increases
- Settled Union Contracts (Police officers and Police Supervisors)
- Additional LGA funds
- One-time Police Aid
- Invest in increased fund reserves
- Unsettled labor agreements (Public Works)
- City Manager wage allocation change - (50% GF / 50% EDA to 75% GF / 25% EDA)
- Property value impacts



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# General Fund Summary

	2022 Adopted	2022 Actual	2023 Adopted	2024 Original	2024 Revised	% Increase 2024
<b>REVENUES</b>						
						(2024 Revised over 2023)
Property taxes - operations	\$ 12,586,094	\$ 12,488,689	\$ 13,697,548	\$ 15,271,008	\$ 14,892,219	9%
Special assessments and other	52,000	27,432	71,950	51,950	31,950	-56%
Licenses and permits	850,960	850,950	932,660	903,860	918,460	-2%
Intergovernmental revenues	1,777,489	1,927,302	1,655,044	1,559,485	3,015,473	82%
Charges for services	863,853	876,702	778,475	796,195	752,595	-3%
Fines & forfeits	275,000	184,396	186,500	186,500	188,876	1%
Investment income	125,000	(173,505)	100,000	100,000	47,000	-53%
Miscellaneous	68,000	41,054	44,500	44,500	24,500	-45%
Other (interfund services transfers-in)	505,185	505,214	671,295	704,173	711,601	6%
<b>TOTAL REVENUES</b>	<b>\$ 17,103,581</b>	<b>\$ 16,728,234</b>	<b>\$ 18,137,972</b>	<b>\$ 19,617,671</b>	<b>\$ 20,582,674</b>	<b>13%</b>
<b>EXPENDITURES</b>						
General Government	\$ 2,353,195	\$ 2,420,396	\$ 2,573,075	\$ 2,838,141	\$ 2,747,113	7%
Public safety	8,515,723	9,082,615	9,167,039	9,960,740	10,377,741	13%
Community Development	742,832	735,302	823,802	862,680	854,612	4%
Public works	3,239,980	3,347,970	3,349,558	3,558,026	3,615,761	8%
Recreation	2,251,851	2,399,397	2,224,498	2,398,084	2,499,214	12%
Other Financing Uses - Transfers Out	-	-	-	-	488,233	
<b>TOTAL EXPENDITURES</b>	<b>\$ 17,103,581</b>	<b>\$ 17,985,680</b>	<b>\$ 18,137,972</b>	<b>\$ 19,617,671</b>	<b>\$ 20,582,674</b>	<b>13%</b>

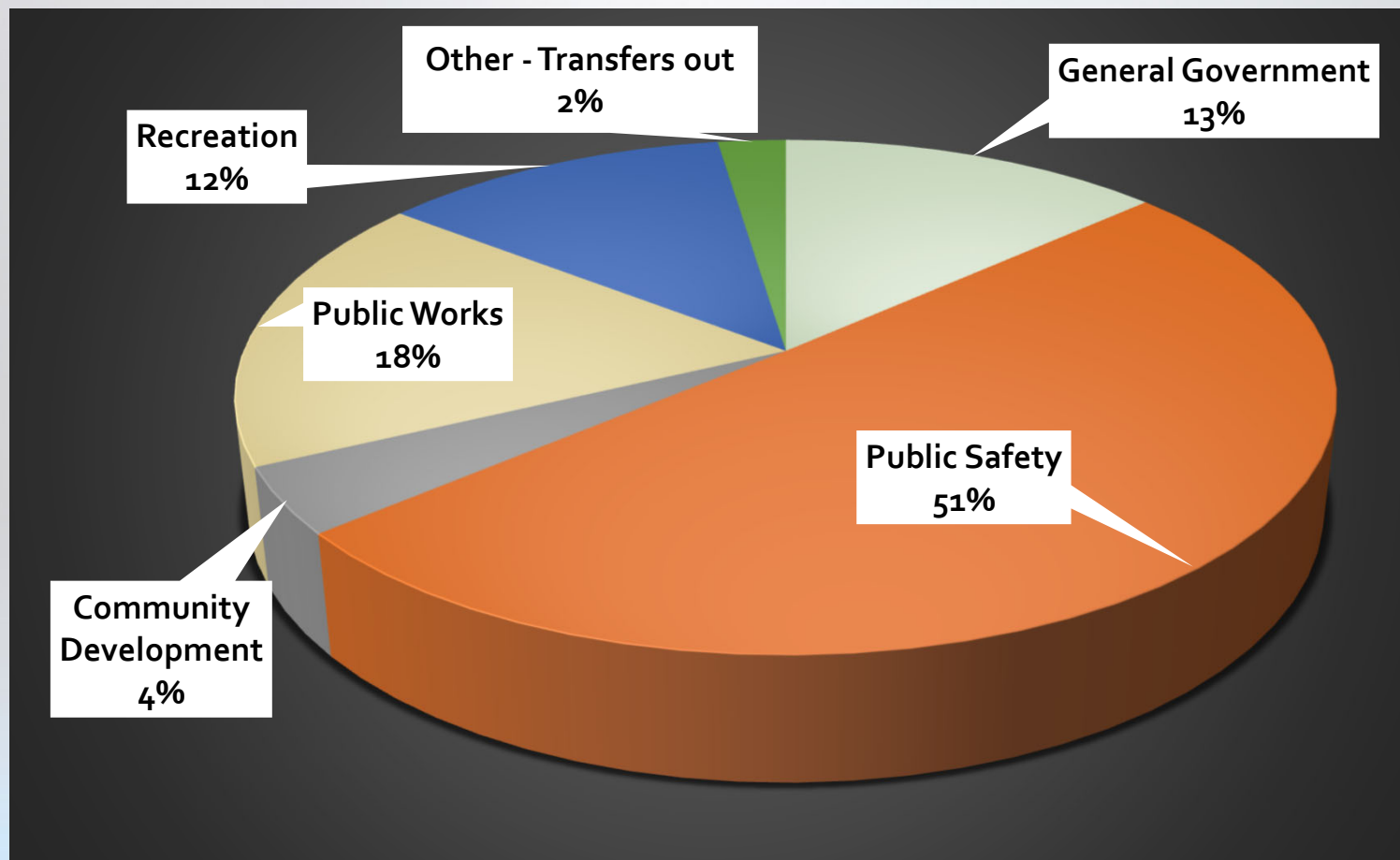


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# General Fund Expenditures



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# 2024 General Fund Increase - \$2,444,702

## REVENUES

Property taxes	\$ 1,194,671
Special assessments & other	\$ (40,000)
Licenses & Permits	\$ (14,200)
Intergovernmental revenues	\$ 1,360,429
Charges for services	\$ (25,880)
Fines & forfeits	\$ 2,376
Investment income	\$ (53,000)
Miscellaneous	\$ (20,000)
Other	\$ 40,306
Total	<u>\$ 2,444,702</u>

## EXPENDITURES

General Government	\$ 174,038
Public safety	\$ 1,210,702
Community Development	\$ 30,810
Public works	\$ 266,203
Recreation	\$ 274,716
Other Financing Uses - Transfers Out	\$ 488,233

Total	<u>\$ 2,444,702</u>
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# EDA Budget Summary

Revenue		2020 Actual	2021 Actual	2022 Actual	2023 Adopted	2024 Proposed
	Property Taxes - Adopted Levy	\$ 282,744	\$ 300,000	\$ 310,122	\$ 316,200	\$ 335,172
	Prior Years' Delinquent Taxes	\$ 1,191	\$ 1,471	\$ 1,605	\$ -	\$ -
	Special Assessments*	\$ 20,107	\$ 20,003	\$ 32,839	\$ 32,834	\$ 32,834
	Interest Income	\$ 79,686	\$ (10,026)	\$ (39,171)	\$ 8,000	\$ 8,000
	Miscellaneous Revenue	\$ -	\$ 273	\$ 14,533	\$ -	\$ 26,800
	<b>Total Revenue</b>	<b>\$ 383,728</b>	<b>\$ 311,720</b>	<b>\$ 319,927</b>	<b>\$ 357,034</b>	<b>\$ 402,806</b>
*Special assessments are the method of repayment for EDA financing of installation of fire protection systems. 2024 special assessment revenue is comprised of \$20,000 from 6105 42nd Ave N and \$12,834 from 5600 56th Ave N.						
Expenditures		2020 Actual	2021 Actual	2022 Actual	2023 Adopted	2024 Proposed
	Personnel Services	\$ 312,634	\$ 330,071	\$ 299,173	\$ 271,358	\$ 232,708
	Professional, Audit & Legal Services	\$ 17,163	\$ 8,160	\$ 31,306	\$ 26,000	\$ 32,000
	Contractual Services*	\$ 5,136	\$ 77,980	\$ 3,484	\$ 5,000	\$ 15,000
	Internal Service Fund Charges	\$ -	\$ 4,568	\$ 5,186	\$ 5,215	\$ 7,354
	Home Improvement Grant Program	\$ 40,511	\$ 91,470	\$ 33,625	\$ 25,300	\$ 26,800
	Branding and Beautification	\$ 10,550	\$ 12,228	\$ 6,251	\$ 20,050	\$ 40,550
	Façade Improvement Grants	\$ -	\$ -	\$ 12,500	\$ -	\$ 40,000
	Miscellaneous Operating Expenses	\$ 3,127	\$ 2,437	\$ 5,849	\$ 5,000	\$ 7,100
	<b>Total Expenditures</b>	<b>\$ 389,119</b>	<b>\$ 526,914</b>	<b>\$ 397,374</b>	<b>\$ 357,923</b>	<b>\$ 401,513</b>
*2021 contractual services expenditures included \$64,170 for installation of a fire protection system at 5600 56th Ave N.						
Net Revenue Over (Under) Expenditures		2020 Actual	2021 Actual	2022 Actual	2023 Adopted	2024 Proposed
		\$ (5,392)	\$ (215,194)	\$ (77,447)	\$ (889)	\$ 1,293
Fund Balance at Year End		2020 Actual	2021 Actual	2022 Actual	2023 Adopted	2024 Proposed
	<b>Actual* / Forecast based on budget</b>	<b>\$ 2,438,443</b>	<b>\$ 2,310,250</b>	<b>\$ 2,232,803</b>	<b>\$ 2,231,914</b>	<b>\$ 2,233,207</b>
*Proceeds from property sales go into the fund balance but do not show up as revenue. This means the year-to-year change in the fund balance may not match that year's net revenue over (under) expenditures.						



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# Property Tax Levy

	2022 Adopted	2023 Adopted	2023 Increase (Decrease)	2023 % Change	2024 Proposed	2024 Increase (Decrease)	2024 % Change	2024 Revised	2024 Increase (Decrease)	2024 % Change
General levy	\$ 12,508,518	\$13,540,205	\$ 1,031,687	8.25 %	\$ 15,222,508	\$ 1,682,303	12.42 %	\$ 14,818,719	\$ 1,278,514	9.44 %
Capital Improvements										
Police Equipment Revolving	158,037	161,197	3,160	2.00	164,421	\$ 3,224	2.00	92,211	(68,987)	-42.80
Park Improvement	606,999	741,057	134,058	22.09	882,753	\$ 141,696	19.12	882,753	141,696	19.12
Street Construction	245,926	384,221	138,295	56.23	529,047	\$ 144,826	37.69	529,047	144,826	37.69
Total Capital Improvements levy	1,010,962	1,286,475	275,513	27.25	1,576,221	\$ 289,746	22.52	1,504,011	217,536	16.91
EDA	310,000	316,200	6,200	2.00	322,524	\$ 6,324	2.00	335,172	18,972	6.00
Total levy	\$ 13,829,480	\$15,142,880	\$ 1,313,400	9.50 %	\$ 17,121,253	\$ 1,978,373	13.06 %	\$ 16,657,902	\$ 1,515,022	10.00 %



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# Tax Impacts

	2023	2024	Percent of Change
<b>Levy * not including HRA</b>	\$14,826,680	\$16,322,730	10.09%
<b>Levy - including HRA</b>	\$15,142,880	\$16,657,902	10.00%
<b>Net Tax Capacity</b>	\$27,087,605	\$28,903,880	6.71%
<b>Tax Rate</b>	46.43%	48.28%	3.98%

Proposed Tax Impact for 2024			
Percentile	Home Value	Estimated Annual Increase	Percentage of Increase
10th	\$242,900	\$88	8.47%
30th	\$269,700	\$97	8.31%
50th	\$293,400	\$121	9.51%
70th	\$320,640	\$143	10.25%
90th	\$374,380	\$178	10.81%



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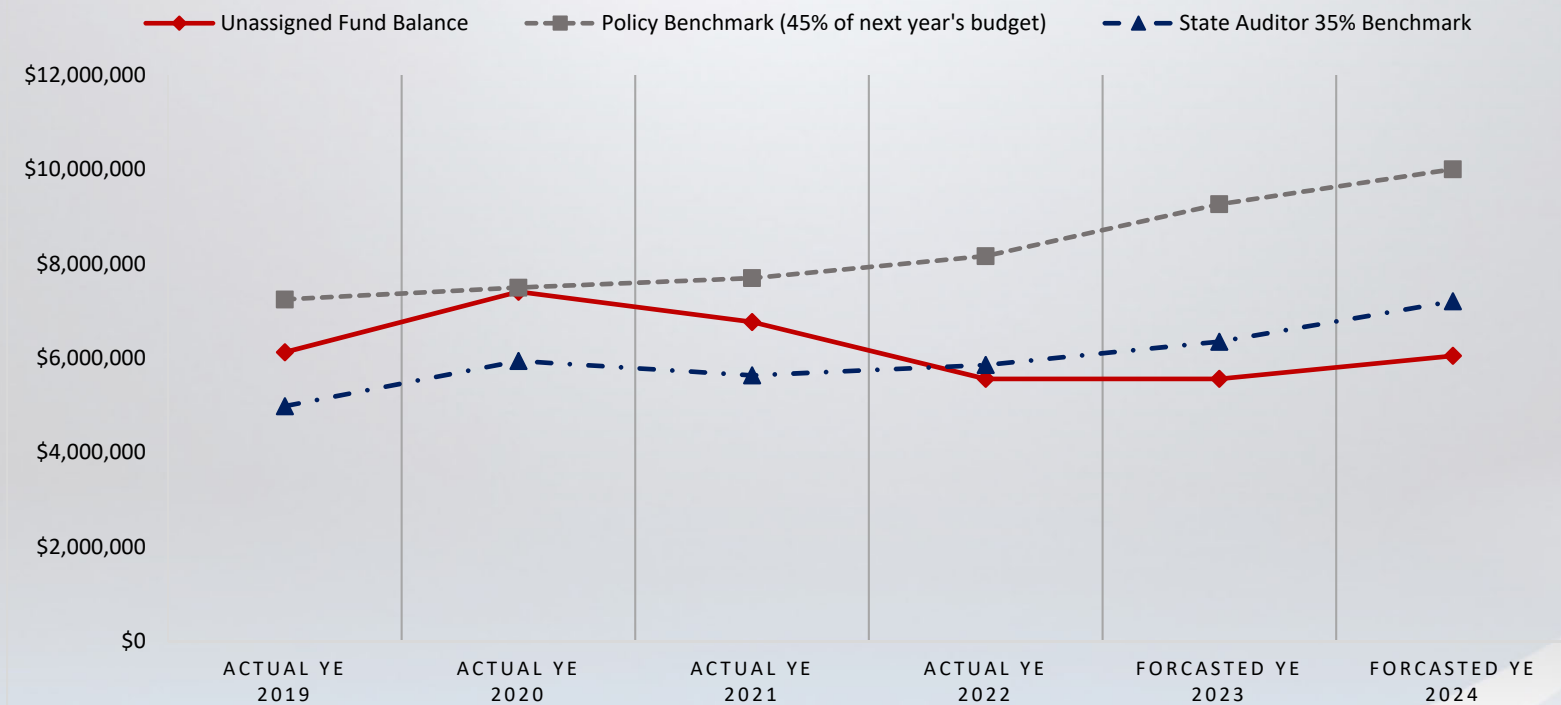
# **2024 Revised Budget reflects Council work session objectives**

- ✓ **Reduction in Levy increase**  
**Revised from 2024 original increase of 13.06% to 10.00%**
- ✓ **Invest in Long-term Capital Funds**  
**Includes additional investment of \$217K to capital funds**
- ✓ **Invest in increasing Fund Balance targets**  
**Includes proposed transfer to fund balance of \$488K**





# Unassigned Fund Balance



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# Questions & Comments