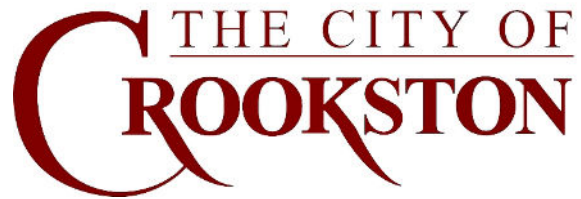


Mayor -Dale Stainbrook

Council Members:

W-1 Kristie Jerde
W-2 Henry Fischer
W-3 Clayton Briggs
At Large – Tim Menard



Council Members:

W-4 Donald R Cavalier
W-5 Joe Kresl
W-6 Dylane Klatt
At Large – Morgan Hibma

TRUTH IN TAXATION AGENDA

December 11, 2023 – 6:00 P.M

The City's YouTube Channel is <https://www.youtube.com/c/CityofCrookstonChannel>

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **AGENDA**- Presentation of Truth in Taxation information
4. **ADJOURNMENT**

CITY OF CROOKSTON

General Fund Budget Summary

Truth-In-Taxation Budget Hearing December 11, 2023

Funding Sources:	2023 Budget	2024 Budget	\$ Change vs. 2023	% Change vs. 2023
Tax Levy	\$ 2,981,378	\$ 3,702,245	\$ 720,867	24.18%
Franchise Taxes	\$ 619,500	\$ 619,500	\$ -	
License & Permits	104,320	61,300	\$ (43,020)	-41.24%
Intergovernmental	4,478,297	4,974,763	\$ 496,466	11.09%
Charges for Services	715,890	663,750	\$ (52,140)	-7.28%
Fines & Forfeits	40,000	40,000	\$ -	
Misc Revenues	898,392	886,033	\$ (12,359)	-1.38%
Reserves		254,198	\$ -	
Total Funding Sources	\$ 9,837,777	\$ 11,201,789	\$ 1,364,012	13.87%

Expenditures:

Administration	697,362	814,701	\$ 117,339	16.83%
Airport	370,924	249,256	\$ (121,668)	-32.80%
Building Inspections	114,707	137,101	\$ 22,394	19.52%
Community Development	168,602	431,395	\$ 262,793	155.87%
Elected Officials	203,387	212,146	\$ 8,759	4.31%
Elections	24,149	50,113	\$ 25,964	107.52%
Emergency Management	24,600	25,900	\$ 1,300	5.28%
Finance and Accounting	414,308	594,556	\$ 180,248	43.51%
Fire Protection Services	942,771	972,149	\$ 29,378	3.12%
Information Technology	383,577	450,062	\$ 66,485	17.33%
Library	287,900	414,927	\$ 127,027	44.12%
Parks & Recreation	2,109,891	2,390,982	\$ 281,091	13.32%
Police	2,508,063	2,659,849	\$ 151,786	6.05%
Public Works	1,587,536	1,798,652	\$ 211,116	13.30%
Total Expenditures	\$ 9,837,777	\$ 11,201,789	\$ 1,364,012	13.87%

CITY OF CROOKSTON
Brief Summary of How the Tax Components Come Together
Truth-In-Taxation Budget Hearing December 11, 2023

Step 1 City determines the amount of Property Tax Dollars Required:		
2024 Proposed Budget Non-Property Tax Revenues		\$ 7,499,544
2024 Proposed Budget Expenses	-	\$ 11,201,789
2024 Property Tax Dollars Required		\$ (3,702,245)

Step 2 City determines the Proposed Tax Levy Increase		
2024 Property Tax Dollars Required		\$ 3,702,245
divided by 2023 City of Crookston Levy		\$ 2,981,378
2024 Proposed Property Tax Levy Increase above the 2023 Tax Levy		24.179%
<i>\$3,702,245 ÷ \$2,981,378 = 1.24179</i>		

Step 3 Estimated City Tax Rate Determined		
2024 Estimated City of Crookston Net Tax Capacity		\$ 5,115,244
2024 Estimated City Tax Rate		72.377%
<i>(Property Tax Dollars Required ÷ Crookston's Net Tax Capacity)</i>		
<i>\$3,702,245 ÷ \$5,115,244 = 0.72377</i>		
<i>OR an Estimated Tax Rate increase of 8.055%</i>		
<i>when compared to 2023 Tax Rate of 64.322%</i>		

Step 4 How the Above Steps Affect Residential Homestead Property Owners:		
Your property taxes are based on your property's net tax capacity.		
Net Tax Capacity = Taxable Market Value x Residential Homestead Class Rate		
<u>Example for a Residential Homestead:</u>		
Estimated Market Value		\$ 100,000
Minus: Homestead Exclusion	X	\$ 28,240
<i>*Homestead Exclusion is not available on homes valued at \$413,800 or higher.</i>		
Taxable Market Value		\$ 71,760
Residential Homestead Class Rate	X	1%
Property Owner's Net Tax Capacity		\$ 718
2024 Estimated City Tax Rate	X	72.377%
2024 Proposed City Property Tax		\$ 519
<i>(Net Tax Capacity x 2024 Estimated City Tax Rate)</i>		

Estimated Market Value	Homestead Credit	Taxable Market Value	Net Tax Capacity	2024 Proposed Property Tax
\$100,000	\$28,240	\$71,760	\$718	\$519
\$150,000	\$23,740	\$126,260	\$1,263	\$914
\$200,000	\$19,240	\$180,760	\$1,808	\$1,308
\$250,000	\$14,740	\$235,260	\$2,353	\$1,703
\$300,000	\$10,240	\$289,760	\$2,898	\$2,097
\$350,000	\$5,740	\$344,260	\$3,443	\$2,492
\$400,000	\$1,240	\$398,760	\$3,988	\$2,886
\$450,000		\$450,000	\$4,500	\$3,257
\$500,000		\$500,000	\$5,000	\$3,619

CITY OF CROOKSTON
Glossary of Terms
Truth-In-Taxation Budget Hearing December 11, 2023

TERM	DEFINITION
Truth-In-Taxation:	The "taxation and notification law" which requires local governments to set estimated levies, inform taxpayers about the impacts, and announce which of their regularly scheduled council meetings will include a discussion of the budget and property tax levy.
Property Tax Levy:	The tax imposed by a local unit of government. The tax is established on or around December 28 of the year preceding the year the levy will be paid by taxpayers.
City's Net Tax Capacity:	This amount is computed by the County totaling the tax capacities of all parcels of property within the city.
City Tax Rate:	The rate used to compute taxes for each parcel of property. City tax rate is computed by dividing the certified property tax levy by the City's net tax capacity.
Estimated Market Value:	A County Assessor's estimate of what property would be worth on the open market if sold. For taxes payable in 2025, the County mails out valuation notices in March of 2024.
Homestead Exclusion:	Eligible homesteads will pay property taxes on only a portion of the value of their homes. For taxes payable in 2024, the maximum exclusion occurs at a home value of \$76,000 and phases out at a home value of \$413,800.
Taxable Market Value:	This amount is computed by reducing the estimated market value by the homestead exclusion.
Class Rate:	The percent of market value set by state law that establishes the property's tax capacity subject to the City's tax rate.
Property's Net Tax Capacity:	The valuation of property based on taxable market value multiplied by it's class rate.
City Property Tax:	This amount is computed by multiplying the property's net tax capacity by the City's tax rate.