

**Truth in Taxation Public Hearing
Ely City Council – Council Chambers
November 26, 2019**

Call to Order:

Mayor Novak called the Truth in Taxation Public Hearing to order at 6:00pm.

PRESENT: Council Members A.Forsman, Kess, Debeltz, Omerza, Callen, Campbell and Mayor Novak

ABSENT: None

2020 Proposed Budget and Truth in Taxation Presentation

Mayor Novak indicated that the budget committee has met several times discussing the 2020 budget. Currently the proposed levy is at 2.62%, the council can lower the levy, but it cannot be raised.

Clerk Langowski gave a slide presentation of the proposed 2020 Budget and proposed changes from 2019. Major changes and points of interest include:

- Total 2020 City Tax proposed - \$1,796,900
- This is a City wide increase of \$45,821 or 2.62% over 2019
- Taxable Net Tax Capacity increased slightly by \$27,425 at \$1,496,450 in 2020 compared to \$1,469,025 in 2019. The Net Tax Capacity is used for calculating tax rates after fiscal disparity contribution.
- Estimated Taxable Market Value for 2020 Increased \$3,209,160 to \$149,464,152 from 2019 or a 2.2% increase.
- Changes in the 2020 Budget from 2019
 - General Fund –
 - Property taxes increased by \$18,700 to \$477,000 in 2020 or 4.08%.
 - Local Government Aid increased by \$159,321 to \$2,364,008 in 2020 compared to \$2,204,687 in 2019 or 7.23% .
 - Total general fund expenditures are budgeted to increase \$193,400 to \$3,557,900 or 5.7% from 2019. The increase is mostly due to general inflationary costs and projected staffing change over costs.
 - Library - Total Library expenditures are budgeted to increase in 2020 by \$16,300 to \$312,000 or 5.5%. The increase is due to an extra ordinary maintenance item and staffing costs increases.
 - EEDA – 2020 Special EEDA Levy is calculated 2019 Estimated Market Value times .01813 - \$174,616,400 X .01813% = \$31,643.34
 - Airport - Property taxes will be reduced to \$0 in 2020 from \$13,000 in 2019. Airport projects will be covered by fund balance.
 - Cemetery - Total expenditures are budgeted to increase in 2020 by \$6,900 to \$36,400 or 23.4%. The increase is due to higher cemetery maintenance needs.
 - Debt Service - The Property Tax Levy in the Debt Service Fund is budget to increase by \$84,900 to \$315,100 in 2020 from \$230,200 in 2019. The additional property taxes will pay for the 2018A GOB Equipment Certificate of Indebtedness. The GOB was issued to pay for the AMI metering project

- Capital Projects Fund - The Capital Project budgeted expenditures are \$2,180,000. Funding of the projects will mostly be from \$516,700 or 22.8% property taxes, \$1,390,000 or 61.3% and \$130,000 from street maintenance fees.

REVENUES by type		EXPENDITURES by function	
Grants and Aids	21.2 %	Capital Outlay	31.6%
LGA	32.5%	General Government	11.0%
Property Taxes	24.7%	Public Safety	18.7%
Taconite Aid	4.4%	Culture & Recreation	6.3%
Airport Fuel Sales	2.3%	Airport	3.9%
Rents	4.7%	Economic Development	3.8%
Streets & Infrastructure	1.9%	Streets & Infrastructure	18.5%
Other	7.8%	Debt Service	4.4%
Special EEDA Levy	0.4%	Other	1.6%

David Oliver - 246 E James St

Oliver indicated that his property taxes are going up 5.46% again this year. Oliver indicated that he understands that costs increase, but he feels that the city do not need to spend money on things we don't need. Oliver indicated that he has talked to the county assessor's office about his property taxes.

Mayor Novak indicated that the 2.62% is not much above the inflation rate.

Mayor Novak adjourned the meeting at 6:37pm without objection.

Casey Velcheff
Deputy Clerk