

**Truth in Taxation Public Hearing
Ely City Council – Council Chambers
December 8, 2020**

Call to Order:

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

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

ABSENT: None

2021 Proposed Budget and Truth in Taxation Presentation

Mayor Novak indicated that the budget committee has met several times discussing the 2021 budget. Currently the proposed levy is at 7%, the council can lower the levy, but it cannot be raised.

Clerk Langowski gave a slide presentation of the proposed 2021 Budget and proposed changes from 2020. Major changes and points of interest include:

- Total 2021 City Tax proposed - \$1,892,300
- This is a City wide increase of \$123,800 or 7% over 2020
- Taxable Net Tax Capacity remained steady at \$1,496,148 in 2021 compared to \$1,469,450 in 2020. The Net Tax Capacity is used for calculating tax rates after fiscal disparity contribution.
- Estimated Taxable Market Value for 2021 also remained steady at \$149,724,357 compared to \$149,464,152 in 2020.
- Changes in the 2021 Budget from 2020
 - General Fund –
 - Property taxes remained steady to \$480,000 in 2021 or a 0.63% increase over 2020
 - Local Government Aid increased by \$84,500 to \$2,448,500 in 2021 compared to \$2,364,000 in 2020 or 3.5% .
 - Total general fund expenditures are budgeted to increase \$70,300 to \$3,636,200 or 2% from 2020.
 - Library - Total Library expenditures are budgeted to increase in 2021 by \$26,500 to \$355,800 or 8%. The increase is due to an extra ordinary expense and staffing costs increases.
 - EEDA – 2021 Special EEDA Levy is calculated 2020 Estimated Market Value times .01813 - \$177,220,200 X .01813% = \$32,130.02
 - Cemetery - Total expenditures are budgeted to increase in 2021 by \$7,100 to \$43,500 or 19.5%. The increase is due to higher cemetery maintenance needs.
 - Capital Projects Fund - The Capital Project budgeted expenditures are \$1,322,900.. Funding of the projects will mostly be from property taxes of \$558,900, Federal and State Grants of \$634,000 and and \$130,000 from street maintenance fees.

REVENUES by type		EXPENDITURES by function	
Grants and Aids	11.8 %	Capital Outlay	22.9%
LGA	37.1%	General Government	12.7%
Property Taxes	28.7%	Public Safety	21.0%
Taconite Aid	4.9%	Culture & Recreation	7.7%
Airport Fuel Sales	2.5%	Airport	4.3%
Rents	5.2%	Economic Development	4.4%
Streets & Infrastructure	2.1%	Streets & Infrastructure	20.2%
Other	7.1%	Debt Service	4.8%
Special EEDA Levy	0.5%	Other	1.9%

Mayor Novak adjourned the meeting at 6:26pm without objection.

Casey Velcheff
Deputy Clerk