

**Truth in Taxation Public Hearing Minutes  
December 5, 2023  
Ely City Council – Council Chambers**

**Call to Order: Mayor Omerza called the Truth in Taxation Hearing to order at 6:02pm.**

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

ABSENT: Council Member Campbell

Purpose: 2024 Proposed Budget and Truth in Taxation Presentation

Clerk Langowski gave a PowerPoint presentation of the proposed 2024 Budget and proposed changes from 2023. Major changes and points of interest include:

- Total 2024 City Tax Proposed at \$2,158,100
- City wide that is an increase of \$61,600 or 2.94% from 2023
- Operational expenditures are budgeted to increase to \$5,737,500 in 2024 an increase of \$290,900 or 5.34% from 2023.
- Fiscal Disparities the City of Ely will receive is \$288,310.02 in 2024, a moderate increase of \$20,043.64 or 7.47% from 2023. The Fiscal Disparities increase will help offset some rising property values for 2024.
- Taxable Net Tax Capacity increased by \$426,331 or 20.76% to \$2,479,558. The Net Tax Capacity is used for calculating tax rates after fiscal disparity contribution.
- Taxable Market Value for City of Ely increased by \$35,382,941 to \$233,110,704 or 17.89% from 2023.
- Changes in the 2024 Budget from 2023
  - General Fund
    - Property Taxes increased by \$6,500 or 1.16% to 568,800 in from 2023. The total 2023 General Fund Budget increase is \$236,500 from 2023.
    - Local Government Aid budget increased by \$258,700 to \$2,817,100 for 2024 compared to \$2,558,400 in 2023 or 10.11%
    - Total General Fund revenues and expenditures are budgeted to increase \$236,500 to \$4,253,800 or 5.9% from 2023. The increases are due to inflationary pressures as well as new spending of \$7500 for the Senior Center.
    - General Fund Charges for Services relating to the maintenance of the Dept of Revenue Building had decreased by \$59,000 to \$0. The MN Dept of Revenue no longer uses the building.
  - EEDA
    - 2024 Special EEDA Levy is estimated using the 2023 Estimated Market Value times .01813% or \$39,000
  - Capital Projects Fund
    - The Capita Project budgeted expenditures are budgeted at \$794,000. 2023 Capital Projects will include Conan Street infrastructure improvements, and City Hall improvements.
    - The \$794,000 budgeted expenditures for capital projects is a reduction of \$656,000 or 45.3% from 2023. The reduction is a result of more capital projects for the Utility funds in 2024.
    - The projects will be funded by \$650,000 property taxes (Conan Street and City Hall), Grants of \$100,000, Street Maintenance receipts of \$130,000 and State of MN small City Assistance of \$60,000

- Equipment Replacement Fund
  - Equipment replacement property taxes are budgeted to increase by \$10,000t to \$200,000 or 5.26% over 2023.
  - The 2024 Equipment replacement budget includes a Dump Truck for \$283,000 and a Loader for \$367,000
  - The estimated levy to fully fund the equipment replacement plan is estimated at \$250,000 per year.

<b>REVENUES by type</b>		<b>EXPENDITURES by function</b>	
Grants and Aids	6.7%	Capital Outlay	20.7%
LGA	41.3%	General Government	13.7%
Property Taxes	31.6%	Public Safety	21.1%
Taconite Aid	5.2%	Culture & Recreation	10.1%
Airport Fuel Sales	2.6%	Airport	4.2%
Rents	5.7%	Economic Development	5.5%
Streets & Infrastructure	2.0%	Streets & Infrastructure	19.6%
Other	4.5%	Debt Service	4.1%
Special EEDA Levy	0.6%	Other	1.0%

A.Forsman thanked the staff for researching the Health Insurance Rates and for changing plans. Forsman also thanked the Unions for agreeing to change the plans and saving the city money.

Langowski reminded everyone that the work on the budget starts in April or May and by July the department heads start putting together their budgets. If any committees have any projects they want completed, now is the time to start looking at these projects and bring them forward.

Adjourn:

Mayor Omerza adjourned the meeting at 6:22pm without objection.

Casey Velcheff  
 Deputy Clerk