



City of Detroit Lakes 2024 Budget and Levy Presentation

December 12, 2023
City Council Meeting

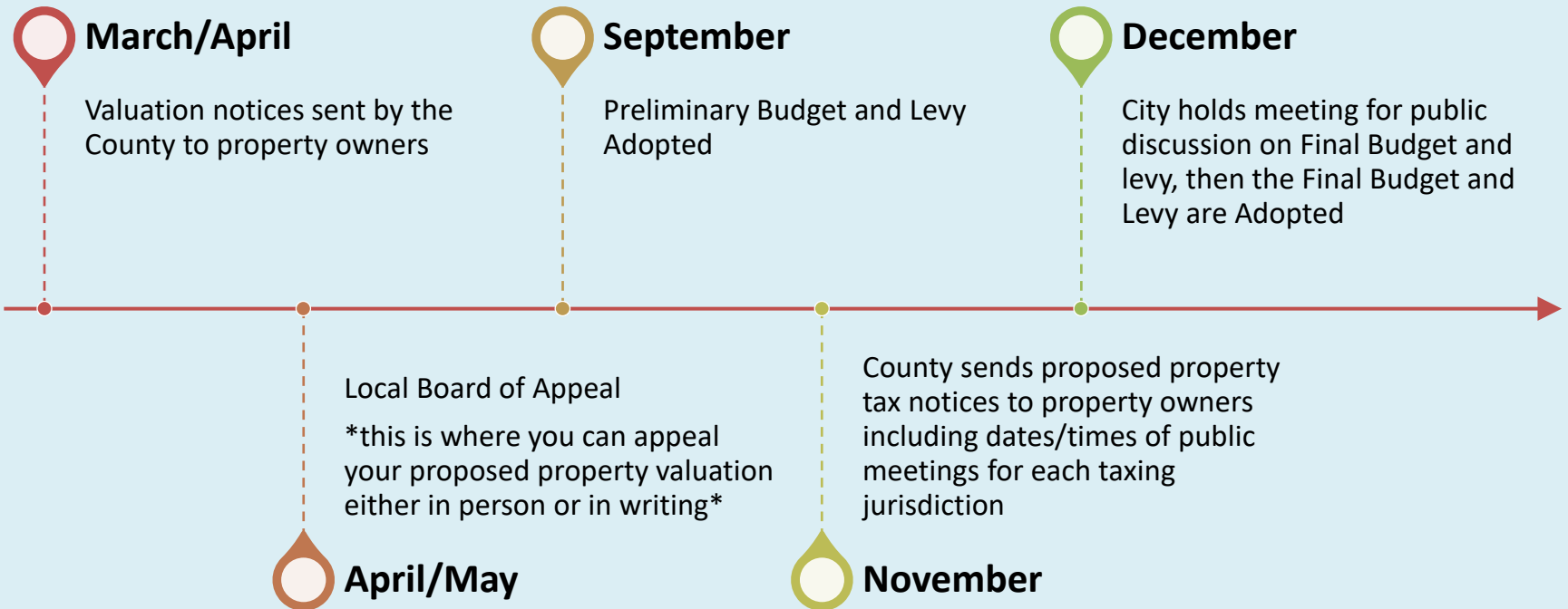


Minnesota Property Tax System



- Assessor determines value as of January 1 for the following year's taxes
- Properties are not taxed directly on value, but rather on TAX CAPACITY
- Different property types have different CLASS RATES. Multiplying the taxable property value by its class rate arrives at its tax capacity
 - Residential homestead 1% of the first \$500k, then 1.25%
 - Commercial/Industrial 1.5% of the first \$150k, then 2%
 - Apartment (4 or more units) 1.25%

Local Property Tax Process



What do your property tax dollars pay for?

Services by Taxing Districts			
Becker County	City of Detroit Lakes	Detroit Lakes School District	Special Taxing Districts
Social Services	Streets	K-12 Education	Becker County Economic Development
Public Health	Police and Fire	Community Education	Watershed District
Road and Highways	Parks and Recreation		Detroit Lakes HRA
Libraries	Building Safety		
Corrections	Library		
Sheriff	Economic Development		
Environmental Services	Airport		

Approximately

32%

38%

28%

2%



Becker County
 Auditor-Treasurer Office
 915 Lake Avenue
 Detroit Lakes, MN 56501
 218-846-7311
 www.co.becker.mn.us

PIN: 49.0336.000

AIN:

BILL NUMBER: 320634

LENDER:

OWNER NAME:

TAX STATEMENT

2023

2022 Values for taxes payable in

	VALUES AND CLASSIFICATION	
	2022	2023
Step 1	Taxes Payable Year:	
	Estimated Market Value:	226,000 276,600
	Homestead Exclusion:	16,900 12,300
	Taxable Market Value:	209,100 264,300
	New Improvements:	
	Property Classification:	Res Hstd Res Hstd
	<i>Sent in March 2022</i>	
Step 2	PROPOSED TAX	
	<i>Sent in November 2022</i>	
		2,684.00
Step 3	PROPERTY TAX STATEMENT	
	First half taxes due 05/15/2023	\$1,383.00
	Second half taxes due 10/15/2023	\$1,383.00
	Total taxes due in 2023	\$2,766.00



TAXPAYER(S):

1053 LAKE AVE
 DETROIT LAKES MN 56501

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REFUNDS?

You may be eligible for one or even two refunds to reduce your property tax. Read the back of this statement to find out how to apply

Tax Detail for Your Property:			
		2022	2023
Tax and Credits	Taxes Payable Year:		
	1. Use this amount on Form M1PR to see if you are eligible for a property tax refund. File by August 15. If this box is checked, you owe delinquent taxes and are not eligible.	<input type="checkbox"/>	\$2,686.00
	2. Use these amounts on Form M1PR to see if you are eligible for a special refund.	\$2,342.00	
	3. Property taxes before credits	\$2,342.00	\$2,686.00
	4. Credits that reduce property taxes	A. Agricultural and rural land credits \$0.00 B. Other credits \$0.00	\$0.00
Property Taxes and Special Assessments	5. Property taxes after credits	\$2,342.00	\$2,686.00
	6. BECKER COUNTY	A. County \$727.60	\$828.96
	7. DETROIT LAKES	\$899.52	\$1,084.20
	8. State General Tax	\$0.00	\$0.00
	9. SCHOOL DISTRICT 0022	A. Voter approved levies \$221.27	\$277.66
		B. Other local levies \$463.03	\$461.66
		A. BC EDA \$3.94 B. Others \$26.64 C. TIF \$0.00	\$4.26 \$29.26 \$0.00
	10. Special Taxing Districts		
	11. Non-school voter approved referenda levies	\$0.00	\$0.00
	12. Total property tax before special assessments	\$2,342.00	\$2,686.00
	13. Special assessments	\$82.00	\$80.00
	14. YOUR TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS	\$2,424.00	\$2,766.00
	Tax Amount Paid	\$0.00	

PROPERTY ADDRESS

1053 LAKE AVE
 DETROIT LAKES, MN 56501

DESCRIPTION

Acres: 0.23
 SubdivisionName AUD PLAT SEC 27
 &34 SubdivisionCd 49003

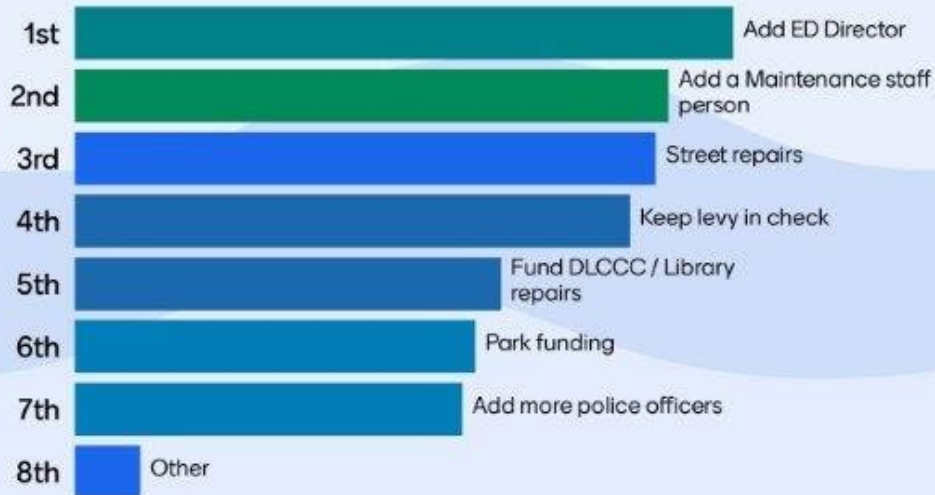
Line 13 Detail

S-1010/15 SOLIC 60.00
 S-7301/23 STORM 20.00
 Principal 80.00
 Interest 0.00



2024 Budget & Levy Priorities

Please rank what you believe is the top priority this budget session:

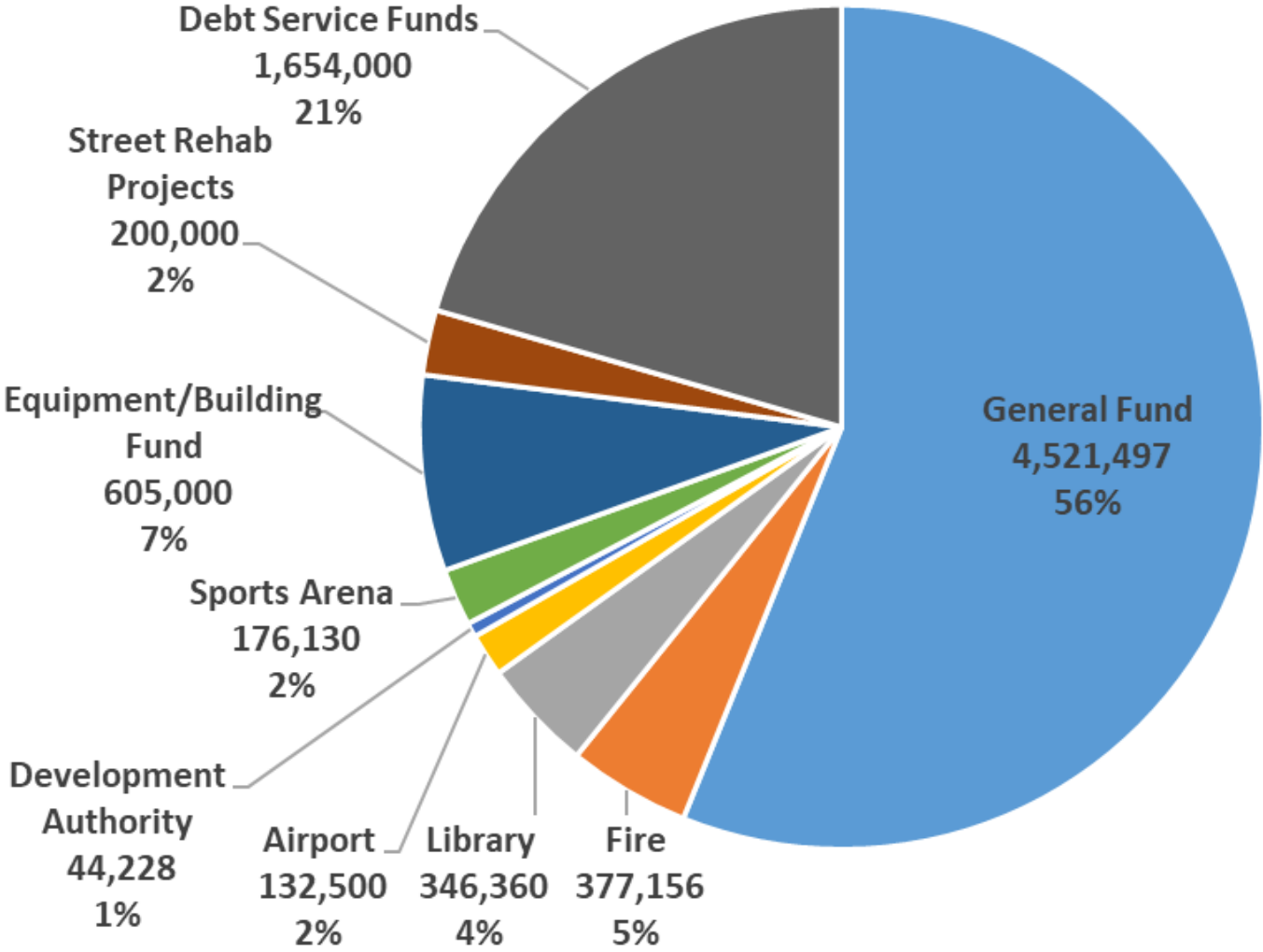


**CITY OF DETROIT LAKES
2024 PROPERTY TAX LEVY**

	Final 2023 Tax Levy	Proposed 2024 Tax Levy	Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
General Fund	4,213,991	4,521,497	307,506	7.30%
Fire	281,452	377,156	95,704	34.00%
Library	338,085	346,360	8,275	2.45%
Airport	132,500	132,500	-	0.00%
Development Authority	65,000	44,228	(20,772)	-31.96%
Sports Arena	157,130	176,130	19,000	12.09%
Equipment/Building Fund	970,000	605,000	(365,000)	-37.63%
Street Rehab Projects	-	200,000	200,000	100.00%
Debt Service Funds				
Fund 503 (2016A (2009) Rchwd Tower Rd	160,000	160,000	-	0.00%
Fund 505 (2015A Wash Ave/Hwy 10 W/Pe	50,000	50,000	-	0.00%
Fund 506 (2016A Mill & Overlay E Shore D	177,000	177,000	-	0.00%
Fund 507 (2014A MN Ave/McKinley Ave)	90,000	90,000	-	0.00%
Fund 508 (2012B (2003A) North Towne Ac	16,000	-	(16,000)	-100.00%
Fund 509 (2012B (2004B) Nor Lake Addn/	45,000	45,000	-	0.00%
Fund 511 (2015B (2006A) Long Lake Phas	31,000	31,000	-	0.00%
Fund 512 (2012A 2012 Street Mill & Overla	30,000	-	(30,000)	-100.00%
Fund 513 (2016A (2007A) N Wash/River H	100,000	-	(100,000)	-100.00%
Fund 514 (2017A Hwy 59 N/Long Pine Est	50,000	50,000	-	0.00%
Fund 516 (2018A Long Lake M/Lake Fores	160,000	160,000	-	0.00%
Fund 520 (2020B S Wash/Randolph/Long	80,000	85,000	5,000	6.25%
Fund 521 (refunded 501 in 2020) (2011A N	97,000	97,000	-	0.00%
Fund 522 (Lake Forest 8th, Ridgeview 1st,	-	50,000	50,000	100.00%
Fund 523 (Willow/Holmes/Frazee PFA)	-	37,000	37,000	100.00%
Fund 524 (Campbell/Linden PFA)	-	47,000	47,000	100.00%
Fund 525 (New PW Facility)	-	575,000	575,000	100.00%
Total Debt Service Funds	1,086,000	1,654,000	568,000	52.30%
Total	7,244,158	8,056,871	812,713	11.22%
Increase/(Decrease) in Operating Expenses			244,713	3.38%
Increase/(Decrease) Due to Debt Service			568,000	7.84%
Total			812,713	11.22%



2024 Proposed Tax Levy



Major Factors in the 2024 Budget

Street Rehab Projects + 200,000

Street Maintenance + 55,000

New Police Officer Position +122,112
(funded with one-time public safety aid)

Economic Development Director Position + 29,228

**Increased debt levy for new public works facility
+ 100,000**

**Capital Equipment levy increase (streets, parks,
police, and it/admin) + 110,000**

**Settled Contracts 4% Wage Increase, Health
Insurance Increase**

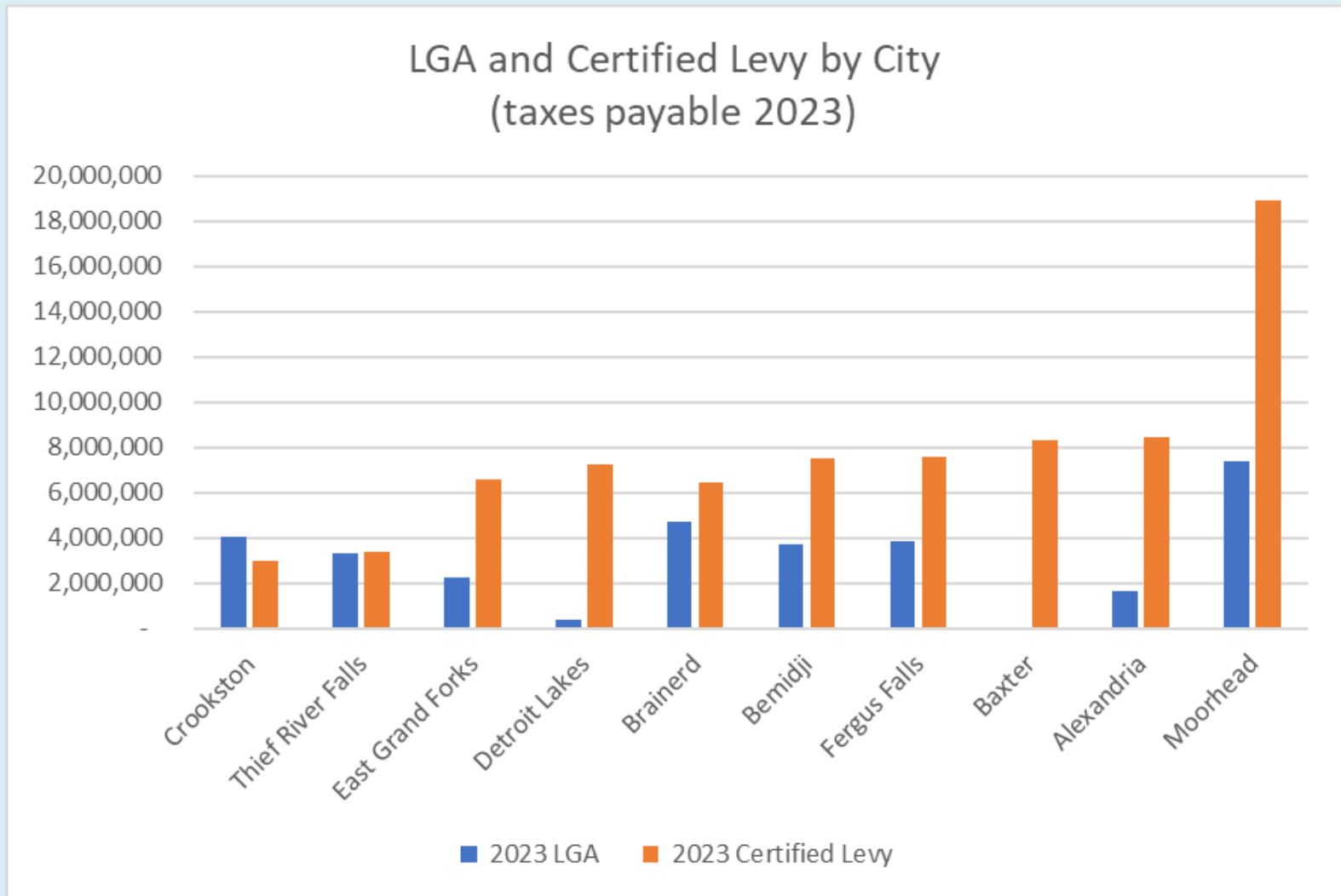
City of Detroit Lakes

2024 General Fund Revenue & Expenditure Budget Summary

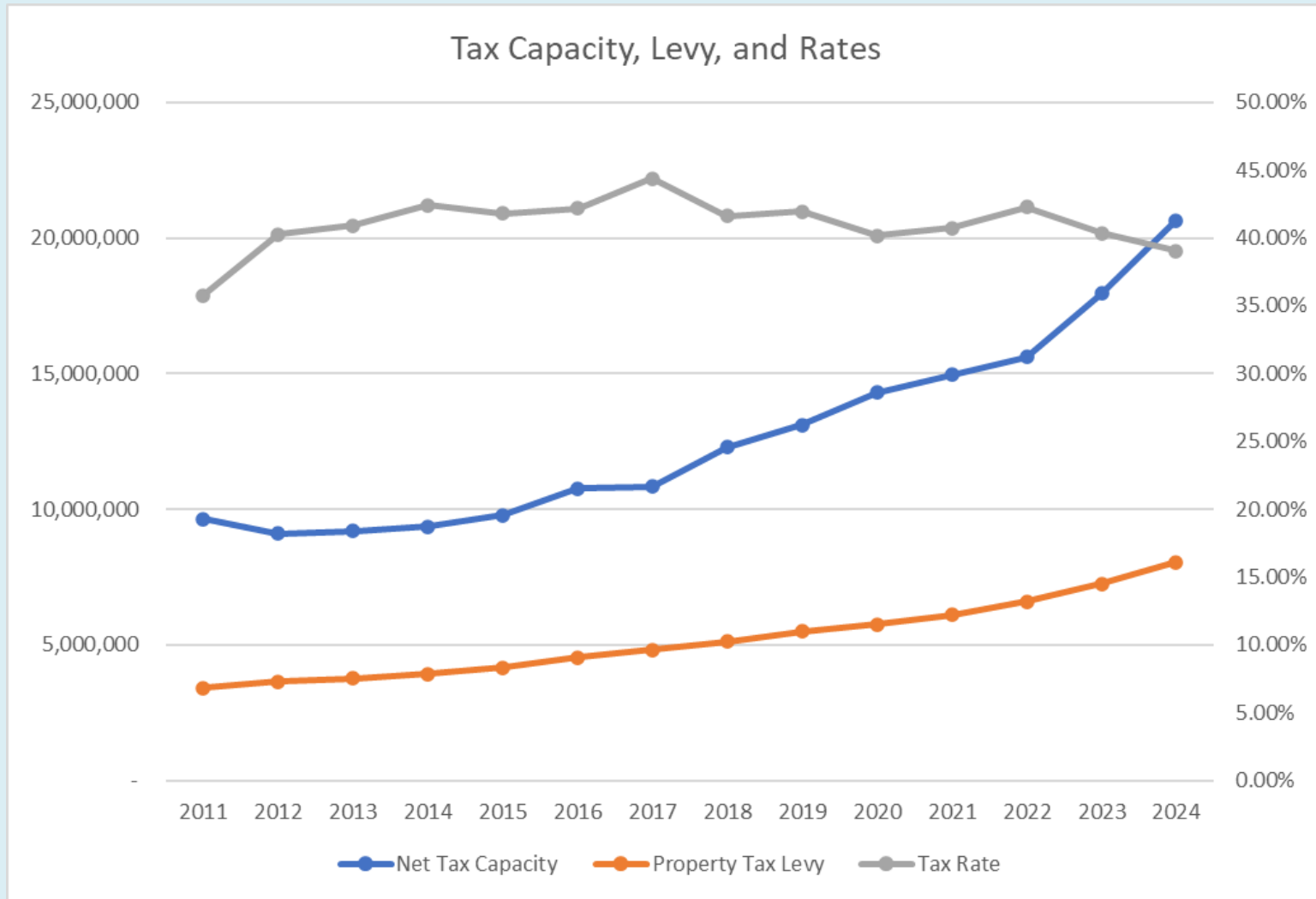
	2023 Budget	2024 Budget	\$ Chg vs 2023 Budget	% Chg vs 2023 Budget
Revenues				
Property Taxes	4,670,573	5,101,783	431,210	9.23%
Franchise Fees	185,000	165,000	(20,000)	-10.81%
Licenses and Permits	156,920	168,970	12,050	7.68%
Intergovernmental Revenues	818,303	988,407	170,104	20.79%
Charges for Services	602,435	595,474	(6,961)	-1.16%
Fines and Forfeits	75,200	69,100	(6,100)	-8.11%
Interest Earnings	50,000	100,000	50,000	100.00%
Miscellaneous Revenue	41,000	45,340	4,340	10.59%
Transfers From Other Funds	1,277,238	1,387,845	110,607	8.66%
	<u>7,440,162</u>	<u>8,621,919</u>	<u>745,250</u>	<u>10.02%</u>
Expenditures				
Council	100,287	95,816	(4,471)	-4.46%
Mayor	14,056	14,256	200	1.42%
Elections	-	22,925	22,925	100.00%
City Administration	424,783	424,954	171	0.04%
Legal	203,080	210,903	7,823	3.85%
City Assessor	96,500	99,600	3,100	3.21%
Planning	275,435	286,813	11,378	4.13%
City Administration Building	32,500	44,900	12,400	38.15%
Police	2,596,421	2,720,238	123,817	4.77%
Building Inspections	244,913	264,517	19,604	8.00%
Animal Control	31,520	32,560	1,040	3.30%
Streets	1,754,651	1,878,985	124,334	7.09%
Snow Removal	485,815	557,080	71,265	14.67%
Food Pantry	10,800	13,000	2,200	20.37%
DLCCC Contract	89,393	250,000	160,607	179.66%
Parks	917,903	968,735	50,832	5.54%
Summer Recreation	66,500	68,500	2,000	3.01%
Unallocated/Miscellaneous	43,530	64,851	21,321	48.98%
Transfer to Bond Emergency	50,000	50,000	-	0.00%
Transfer to Equipment Fund	-	-	-	0.00%
Transfer to Arena Fund	157,130	176,130	19,000	12.09%
Transfer to Fire Fund	281,452	377,156	95,704	34.00%
	<u>7,440,162</u>	<u>8,621,919</u>	<u>745,250</u>	<u>10.02%</u>



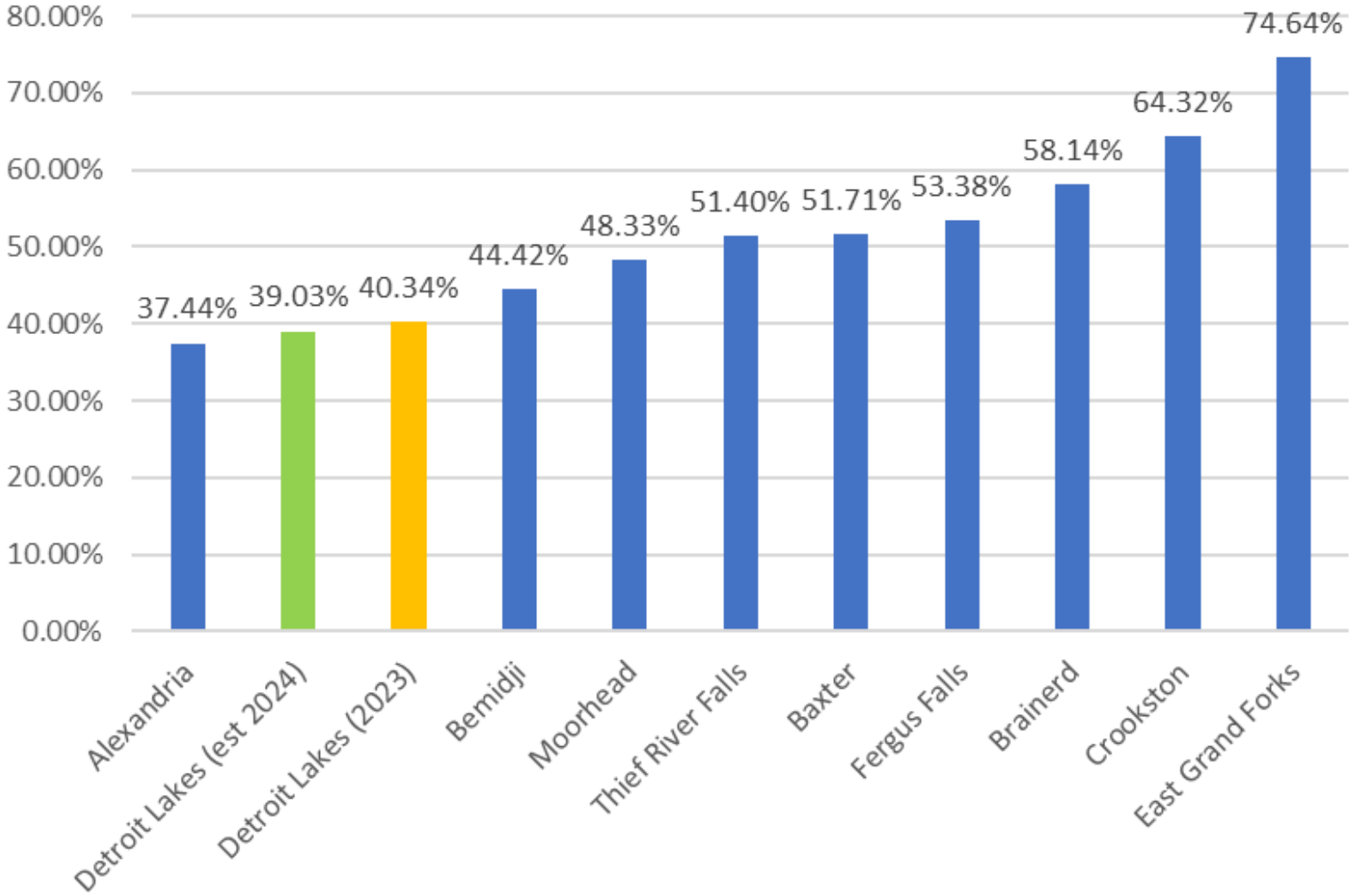
How do we compare to other cities?



Tax Capacity, Levy, and Tax Rate



City Net Tax Capacity Rate (taxes payable 2023)





What does this mean for my property taxes?

Will my property taxes increase?



Residential Homestead Property Tax

Estimated Market Value	\$ 300,000
Less: Homestead MV Exclusion	<u>(\$ 10,200)</u>
Taxable Market Value	\$ 289,800

Tax Capacity	
1% of the first \$500,000	2,898
<u>1.25% of over \$500,000</u>	<u>0</u>
Total Tax Capacity	2,898

Times: 2024 City Tax Rate* 39.028%

Equals: 2024 City Property Tax \$ 1,131.03

If your value was consistent from 2023 to 2024, your taxes would decrease about \$38.08.

Note: This is the City of Detroit Lakes tax rate ONLY – your actual tax bill will also include county, school district, and special taxing district taxes.



Residential Homestead Property Tax vs. Other Monthly Bills



- Internet \$55.95



- 31.52 gallons of Unleaded Gas (\$2.99/gallon) \$94.25



- Live Streaming TV/Cable TV Service \$64.99



- Cell Phone approx. \$60.00

- \$1,131.03 annually or \$94.25 per month



Commercial/Industrial Property Tax



Estimated Market Value	\$ 500,000
Less: Homestead MV Exclusion	(\$ 0)
Taxable Market Value	\$ 500,000

Tax Capacity	
1.5% of the first \$150,000	2,250
2% of over \$150,000	<u>7,000</u>
Total Tax Capacity	9,250

Times: 2024 City Tax Rate* 39.028%

Equals: 2024 City Property Tax \$ 3,610.09

If your value was consistent from 2023 to 2024, your taxes would decrease about \$121.55

Note: This is the City of Detroit Lakes tax rate ONLY – your actual tax bill will also include county, school district, and special taxing district taxes.

Property Tax Relief Programs

- Homestead Market Value Exclusion
 - Values up to \$413,800 (beginning with taxes payable 2025 the max is \$517,200)
- Property Tax Refund
- Targeting Property Tax Refund (aka Special Property Tax Refund)
 - Property Tax Increase of over 12% and \$100
- Disabled Veteran Homestead Value Exclusion
- Blind/Disabled Homestead Classification
- Senior Citizens Property Tax Deferral Program



*Contact the County Auditor's Office for more information about these programs.

The complete 2024 budget will be available on the City's website.

www.cityofdetroitlakes.com

Hard copies may be obtained at City Hall during regular business hours.

Detroit Lakes City Hall
(temporary location)
106 Holmes Street East
Detroit Lakes, MN 56501



Any questions or comments?



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