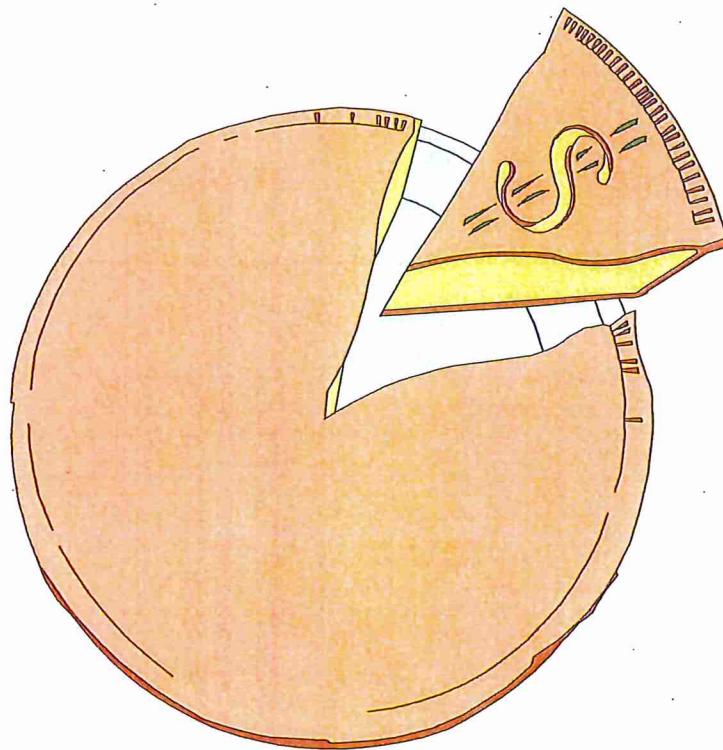


City of Hibbing Truth in Taxation Presentation

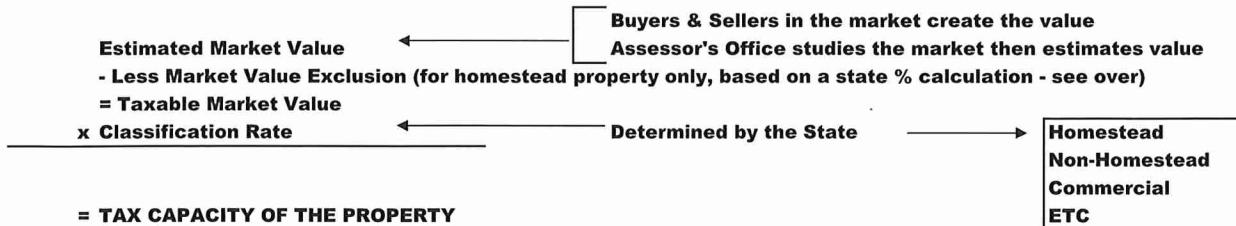


Where Does Your Tax Dollar Go?

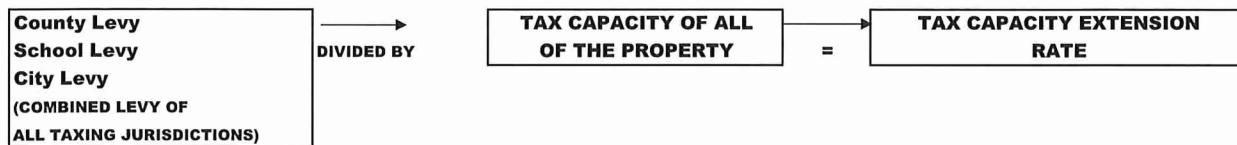
HOW IS YOUR INDIVIDUAL PROPERTY TAX BILL DETERMINED?

in Hibbing, Minnesota

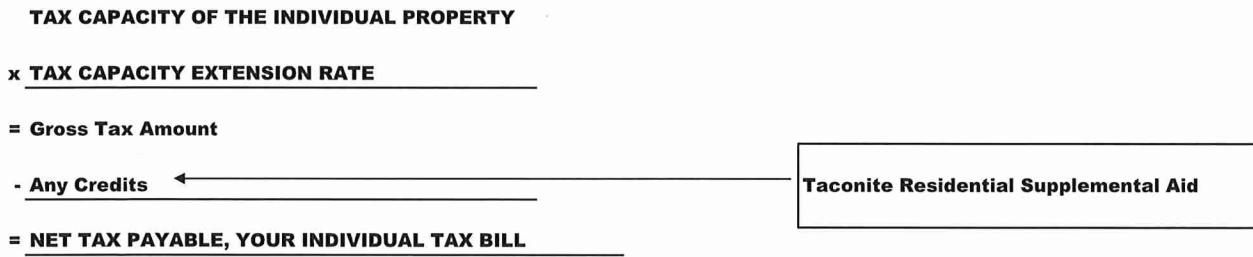
STEP 1 Calculate Tax Capacity of the Property



STEP 2 Determine Tax Capacity Extension Rate



STEP 3 Determine Net Tax Payable

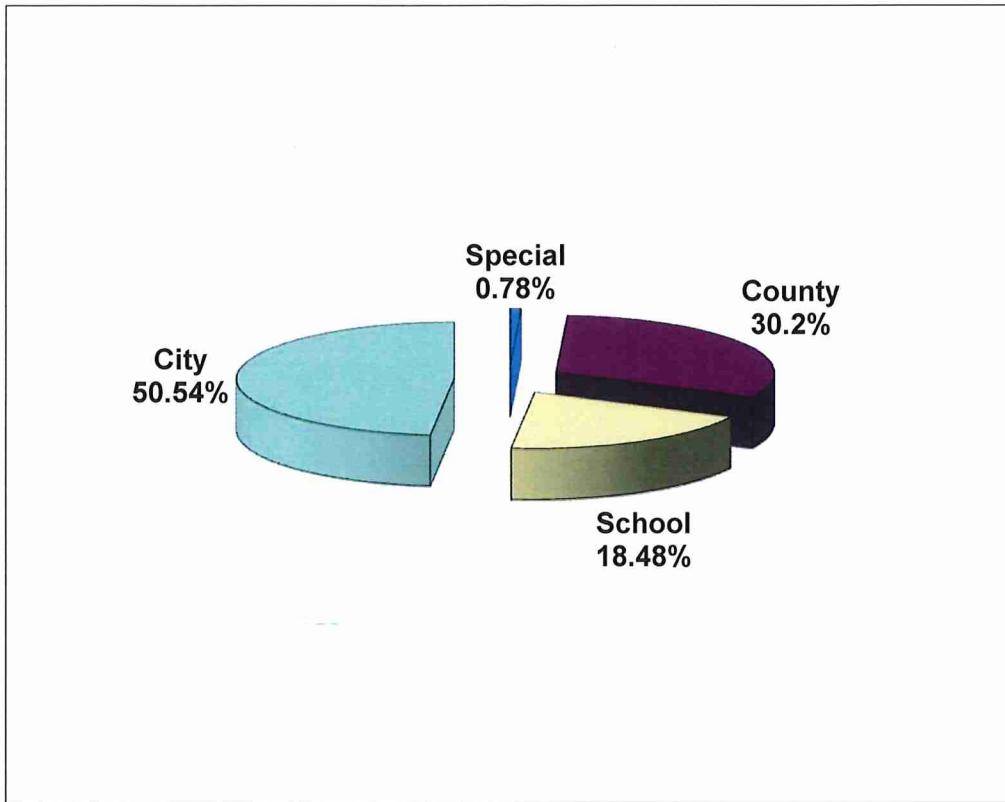


NOTES:

Market Value Exclusion: <p>The amount of the exclusion is 40% of the first \$76,000 in value minus 9% of the value over \$76,000. For a house valued at \$190,000, for example, the exclusion would be $(\\$76,000 \times 40\%) - (\\$114,000 \times 9\%)$, or \$20,140. The \$114,000 here is the value of the house over \$76,000. Then subtract this exclusion from the value of the home $(190,000 - 20,140)$ for a taxable market value of \$169,860.</p>	Classification Rate: <p>The first \$500,000 in taxable market value of a homesteaded property has a rate of 1%, and the remainder has a rate of 1.25%.</p>
	Taconite Residential Supplemental Aid: <p>The credit is equal to 66% of the homestead tax up to a max. of \$315.10 The majority of homesteads receive the maximum credit.</p>

City of Hibbing
Property Tax Allocation - Fiscal Year 2021

(The figures below were obtained from St. Louis County based upon the **preliminary** levies set by the City, County, and School Board)



The segmented pie above portrays the City's average percentage share of each tax dollar levied upon Residential Citizens of Hibbing by all taxing jurisdictions (**based on preliminary levies**).

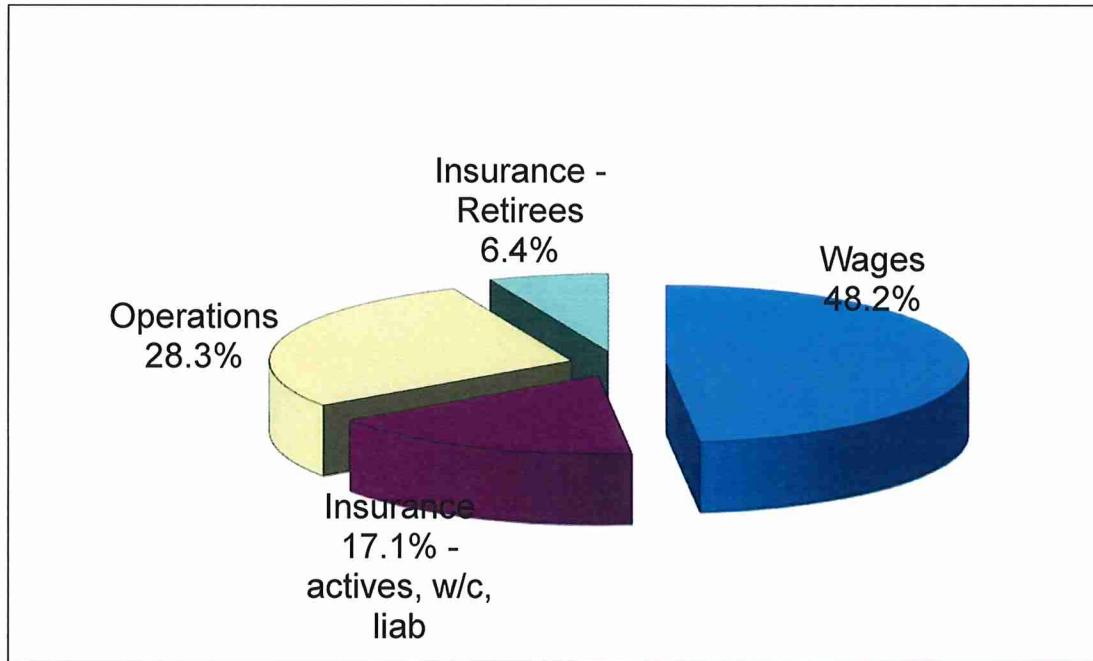
The reader may note that for each tax dollar raised through the City's share of total taxes, the specific distribution by category of expenditure is as follows based on the **proposed final** levy increase

General Government	\$	0.06
Public Works		0.16
Other Functions		0.13
Police		0.16
Fire/Ambulance		0.10
City Services		0.09
HEDA Levy		0.01
Library Levy		0.07
Debt Service		0.04
OPEB debt service		0.06
Special Levy - tax abatement/Ec Development CHAA MOU		0.01
Permanent Improvements		0.06
Capital Fund		0.05
Total	\$	<u>1.00</u>

City of Hibbing
2021 Proposed General Fund Expenditures

(The figures below were obtained from the Proposed Budget Documents as of 11-23-2020)

	<i>Total Dollars</i>	<i>Percent</i>
Wages	9,341,228	48.2%
Insurance (employees, w/c, liab)	3,320,361	17.1%
Operations	5,472,256	28.3%
Insurance - Retirees	1,234,090	6.4%
 <i>Total</i>	 <u>19,367,935</u>	 <u>100%</u>



(1) Wage expense amounts listed above include related payroll items such as PERA & FICA.

City of Hibbing - Employees

	<u>2010</u>	<u>2015</u>	<u>2020</u>	<u>2021</u>
City Council	7	7	7	7
Administration	2	2	2	2
Economic Development	1	0	0	0
Technical Support	9	7	7	7
Building & Housing	3	3	2	2
City Hall Custodian	0	0	0	0
Police Administration	1	1	2	2
Technical Support - Police	4.5	4	3	3
Uniformed Police Officers	29	26	26	26
Library Personnel	8	6	6	6
Fire Chief	1	1	1	1
Uniformed Fire Officers	24	26	27	27
Waste Treatment Personnel	5	5	5	5
Public Works - Supervisors	3	2	3	3
Public Works - Technical	3	2	2	2
Public Works - Support	20	20	21	21
Public Works - Sewer Support	5	5	4	4
Memorial Building - Admin.	1	0	0	0
Memorial Building - Support	5.5	0	0	0
Sanitation - Supervisor	1	1	0	0
Sanitation - Support	10	10	9	9
Parks	4.5	0	0	0
Golf	0	0	0	0
Recreation/Administration	4	0	0	0
City Services - Administration		1	1	1
City Services		13	13	13
Cemetery - Supervisor	0	0	0	0
Cemetery - Support	2	2	2	2

**Total current employee count as
recommended by administration**

153.5 144 143 143

City of Hibbing
Average Property Tax Statement
Fiscal Year 2021

WHAT LOCAL GOVERNMENT WILL COST IN 2021 BASED ON PRELIMINARY BUDGETS

	<i>Percent</i>	<i>\$97,500 Homestead</i>	<i>Percent</i>	<i>\$223,300 Commercial</i>
<i>City of Hibbing</i>	47.55%	\$ 467.89	34.4%	\$ 2,482.53
<i>City of Hibbing - CHAA</i>	2.99%	29.42	2.2%	156.21
<i>State of Minnesota</i>		0.00	10.6%	763.27
<i>St. Louis County</i>	30.20%	297.17	21.8%	1,576.57
<i>School District</i>	18.48%	181.84	8.0%	578.18
<i>Special Taxing Districts</i>	0.78%	7.68	0.6%	40.73
<i>Fiscal Disparity</i>			22.5%	1,626.51
 Total	 100.00%	 \$ 984.00	 100.0%	 \$ 7,224.00

	<i>Levy Coverage</i>	<i>\$97,500 Homestead</i>	<i>\$223,300 Commercial</i>
General Gvt.	\$ 543,880	31.98	\$ 169.67
Public Works	1,327,289	78.04	414.06
Other Functions	1,057,046	62.15	329.75
Police	1,342,214	78.91	418.71
Fire	854,674	50.25	266.62
City Services Dept.	766,371	45.06	239.08
 Total General Fund	 5,891,475	 346.38	 1,837.90
HEDA	105,177	6.18	32.81
Library	586,043	34.46	182.82
Debt Service:			
City Issued Debt/Cert of Indebt	332,409	19.54	103.70
OPEB	500,000	29.40	155.98
Special Economic Development Levies:			
Tax abatements	63,000	3.70	19.65
CHAA MOU - Building	33,024	1.94	10.30
Permanent Improvements	487,000	28.63	151.92
Capital Fund	 460,500	 27.07	 143.66
 Total	 \$ 8,458,628	 \$ 497.31	 \$ 2,638.74

Qualifiers:

(1) The foregoing tabular presentation is based on an sample homestead valuation in the City of Hibbing of approx. \$97,500 and commercial \$223,300. There are several variables which could materially alter the data presented, such as the County budget, the State of Minnesota, the School budget, or an amendment to the School Aid Formula.

(2) The above tax figures are based on the preliminary levies adopted by St. Louis County, the School District, and the City of Hibbing.

(3) The above tax amounts were obtained from St. Louis County.

***City of Hibbing
2020 Levy / 2021 Collection***

	PRELIMINARY	FINAL
General Fund	\$ 6,272,589	5,891,475
Library Fund	586,043	586,043
Debt Service	332,409	332,409
OPEB	500,000	500,000
HEDA	105,177	105,177
Permanent Improvements	487,000	487,000
Special Levies: Tax abatements	63,000	63,000
CHAA MOU - Building	33,024	33,024
Capital Fund	<u>460,500</u>	<u>460,500</u>
2020 Levy (2021 Collection)	<u>\$ 8,839,742</u>	<u>8,458,628</u>
2019 Final Levy (2019 levy/2020 collection)	\$ 8,037,382	8,037,382.00
Increase of 9.98%/5.24% over 2019 levy/2020 collection	<u>802,360</u>	<u>421,246.00</u>
2020 Levy (2021 collection)	<u>\$ 8,839,742</u>	<u>8,458,628</u>

Truth in Taxation - Based upon 2021 PROPOSED FINAL Budget

	Total Expenditures	Direct Revenue Offset	Net	% Reduction	Levy Coverage
General Government	1,636,321	135,236	1,501,085	957,205	543,880
Public Works	3,665,257	2,000	3,663,257	2,335,968	1,327,289
Other Functions	3,748,631	831,232	2,917,399	1,860,353	1,057,046
Police	4,071,164	366,714	3,704,450	2,362,236	1,342,214
Fire/Ambulance	3,952,861	1,594,000	2,358,861	1,504,187	854,674
Dept. of City Services	2,364,289	249,141	2,115,148	1,348,777	766,371
GeneralFund	19,438,523	3,178,323	16,260,200	10,368,725	5,891,475
HEDA		105,177	105,177		105,177
Library (586,043 state mandate plus 70,588 transfer from g€ fund deficit)		586,043	586,043		586,043
Debt Service	332,409	332,409	332,409	332,409	332,409
OPEB Debt Service Levy	500,000		500,000	500,000	500,000
Permanent Improvement	487,000		487,000	487,000	487,000
Special Levy - Tax Abatement	96,024		96,024	96,024	96,024
Capital Fund	460,500		460,500	460,500	460,500
	<u><u>22,005,676</u></u>	<u><u>3,178,323</u></u>	<u><u>18,827,353</u></u>	<u><u>10,368,725</u></u>	<u><u>8,458,628</u></u>

Truth in Taxation - 2021 FINAL Budget

General Government Expenditures		Police Expenditures	
City Council Dept.	300,686.00	Police Dept	3,908,064.00
Election & Voter Dept.	5,000.00	Animal Shelter	88,100.00
City Clerk's Office	571,125.00	Prosecutorial Sv	75,000.00
City Administration Dept.	189,725.00		
Assessing Dept.	74,527.00	Total Expenditures	<u>4,071,164.00</u>
Building & Housing Dept.	234,078.00		
Computer Operations	144,200.00		
City Hall	116,980.00		
	<hr/>		
Total Expenditures	<u>1,636,321.00</u>	Direct Revenue Offsets	
Direct Revenue Offsets		BWDTF	(26,000.00)
Building Permits	(45,000.00)	ISD Police Officer	(24,284.00)
Assessment Searches	(9,000.00)	State grants	(2,000.00)
License fees	(35,236.00)	Provided Police Sv	(1,000.00)
City Hall rent	(6,000.00)	Police state aid	(200,000.00)
SLC An Ctral admin	-	Fines and Forfeits	(50,000.00)
IRRRB Grants	(40,000.00)	Criminal Background Ck	(100.00)
		Peace Off. Benefits Reimb.	(19,000.00)
		Fed Grant - Bullet Proof Vest	(8,000.00)
		Opioid Grant	(23,830.00)
		Misc.	(12,500.00)
		Total Police	<u>3,704,450.00</u>
General Government	<u>1,501,085.00</u>		
Public Works		Fire Department Expenditures	
Engineering	409,110.00	Fire Department	2,401,335.00
Garage #1	612,264.00	Paid on Call	210,100.00
Streets & Alleys	2,588,883.00	Hydrants	
Street Lighting	55,000.00	Emergency Prep	14,000.00
Total Expenditures	<u>3,665,257.00</u>	Ambulance	<u>1,327,426.00</u>
		Total Expenditures	<u>3,952,861.00</u>
Direct Revenue Offsets			
Maps	(1,000.00)	State aid - fire	(77,000.00)
Culvert Fee	<u>(1,000.00)</u>	Grants - Fire Dept	(13,000.00)
		SAFER Grant	-
		Petro Refund	(4,000.00)
		Fire daycare inspections	-
Total Public Works	<u>3,663,257.00</u>	Ambulance	<u>(1,500,000.00)</u>
Other Functions		Total Fire	<u>2,358,861.00</u>
Accounting	50,000.00		
Legal	65,000.00		
Personnel	164,141.00	City Services Department	
Economic Devel	53,800.00	Combined Mem Bldg, Parks &	
Bus	700,160.00	Rec, Golf Course, Bus Museum	<u>2,364,289.00</u>
Cemetery	271,002.00	Direct Revenue Offsets	
Judgements & Losses	15,000.00	Charges for Svcs - Mem Bldg	(110,350.00)
Unall Gen / ins.	2,063,140.00	Charges for Svcs - Park/Rec	(66,766.00)
Other Unall / misc	295,800.00	Golf fees	(72,025.00)
Other Uses - op transfers	70,588.00		
Total Expenditures	<u>3,748,631.00</u>	Total City Services	<u>2,115,148.00</u>
Direct Revenue Offsets			
Petro Refund	(4,000.00)		
Bus Grant	(557,632.00)		
Bus Fares	(64,500.00)		
Cem-Lot Sales	(20,000.00)		
Cem-Col. niche Sales	(15,000.00)		
Cem-storage	(100.00)		
Cem-Grave Open	(40,000.00)		
Franchise Fee	(130,000.00)		
Total Other Functions	<u>2,917,399.00</u>		

Questions about your Property Taxes?

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Contact

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LafreniereR@StLouisCountyMN.gov

218-262-6087