



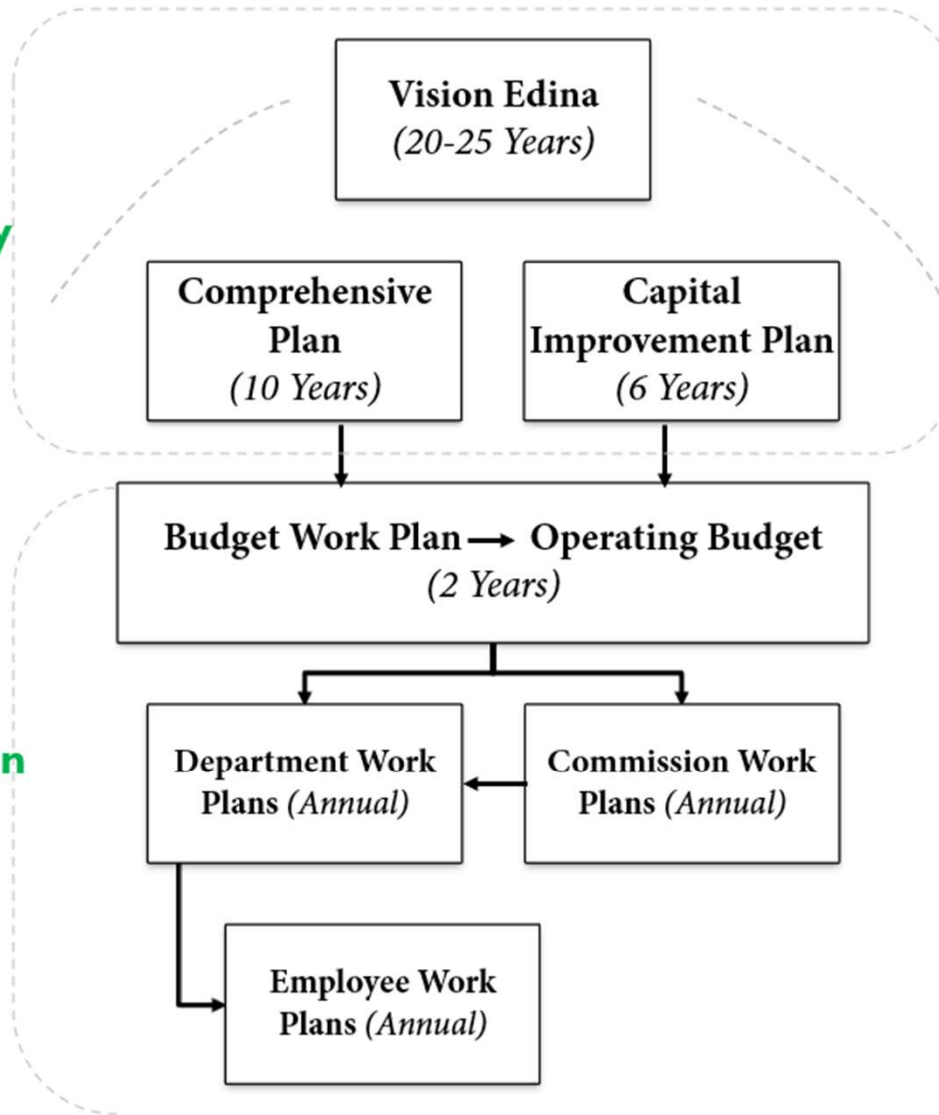
The CITY of
EDINA

2023 Draft Preliminary Budget Levy and 2023-2028 Draft Capital Improvement Plan

September 20, 2022

Strategic Policy

Implementation Level



The CITY of
EDINA



The CITY of
EDINA

Biennial Budget Process

2022 (Even Year)

First year of 2022–
2023 Budget

Review/approve of
2023–2028 CIP

2023 (Odd Year)

Second year of 2022–
2023 Budget

Approve 2024–2025
budget, including CIP
levy

Budget Pillars



City infrastructure, facilities, technology, and equipment meets community needs now and in the future.



City planning fosters healthy, connected, sustainable development that enriches the lives of current and future residents.



City services enhance the safety, wellbeing, and quality of life experienced in Edina.



City government fosters an inclusive, informed and engaged community.



The CITY of
EDINA



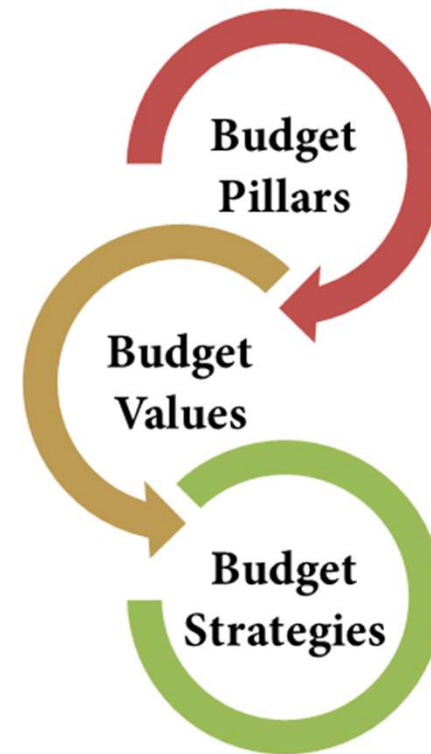
The CITY of
EDINA

Budget Goals and Values

Budget Pillars: The broad goals that must be achieved by every budget.

Budget Values: The beliefs that guide decision-making.

Budget Strategies: The specific actions, projects, and targets to strengthen the pillars in this two-year budget.



Budget Values



The CITY of
EDINA

Stewardship

- We make wise investments that focus on the best long-term value for residents.

Equity

- We provide equitable opportunities for people to participate in their City government and access City institutions, facilities, and services.

Health

- We use a Health-in-All Policies approach to promote and protect the physical, mental, and social wellbeing of all people who live, work, or visit Edina.

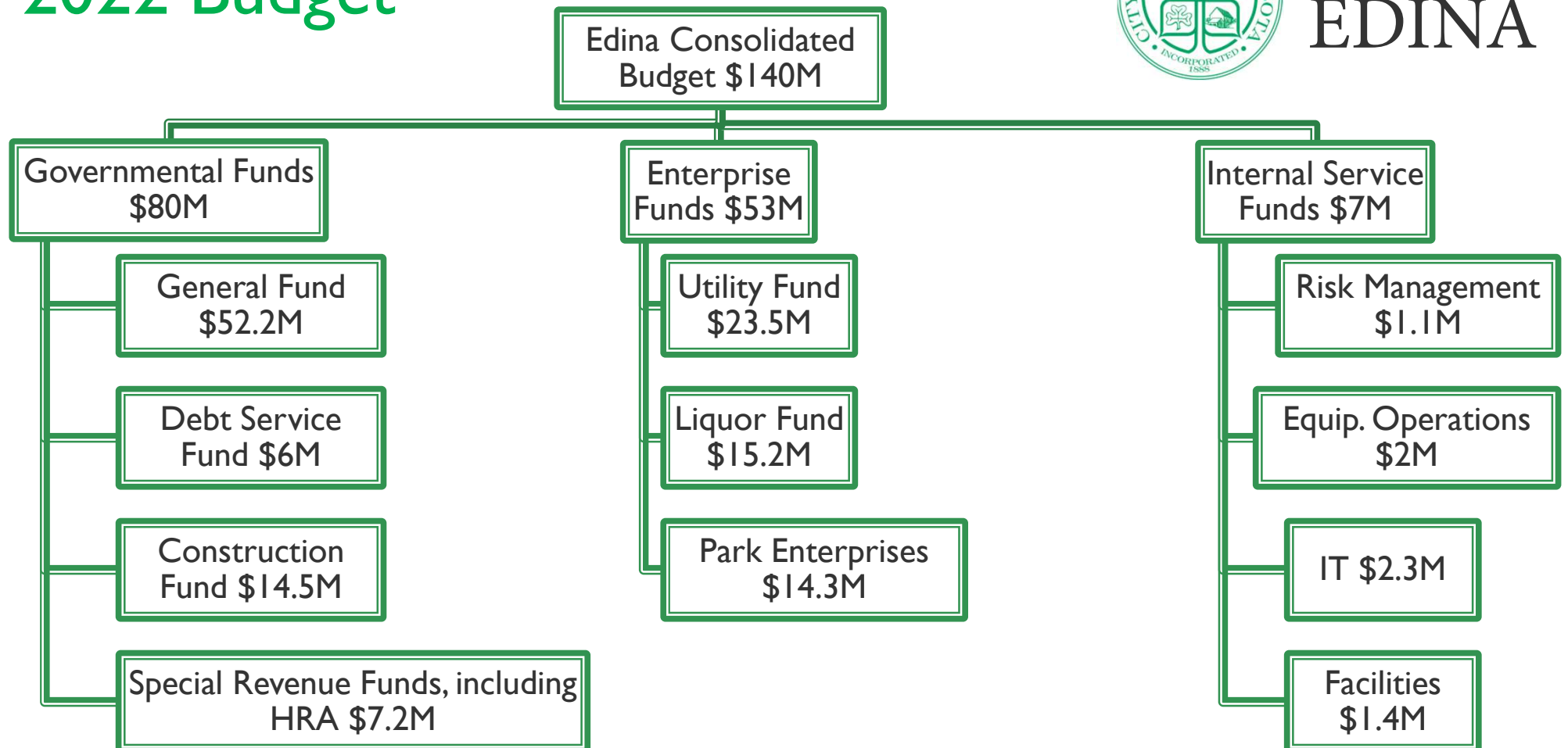
Sustainability

- We ensure that our policies, decisions, and plans have a positive impact on people and the planet now and for future generations.

2022 Budget



The CITY of
EDINA



Approved Tax Levy



The CITY of
EDINA

	2021	2022	2023
General Fund	\$ 33,986,471	\$ 36,708,036	\$ 38,947,298
	6.14%	8.01%	6.10%
Arts/Culture	\$ 20,000	\$ -	\$ -
	0%	-100%	N/A
Debt Service	\$ 3,651,400	\$ 3,232,000	\$ 3,230,000
	-20.56%	-11.49%	-0.06%
Construction	\$ 4,130,000	\$ 4,240,000	\$ 4,350,000
	45.94%	2.66%	2.59%
Special Street	\$ -	\$ 950,000	\$ 1,210,400
	0%	N/A	27.41%
HRA	\$ 230,400	\$ 237,300	\$ 244,400
	20.00%	2.99%	2.99%
Total Tax Levy	\$ 42,018,271	\$ 45,367,336	\$ 47,982,098
% Increase	5.95%	7.91%	5.76%

Changes Since December 2021



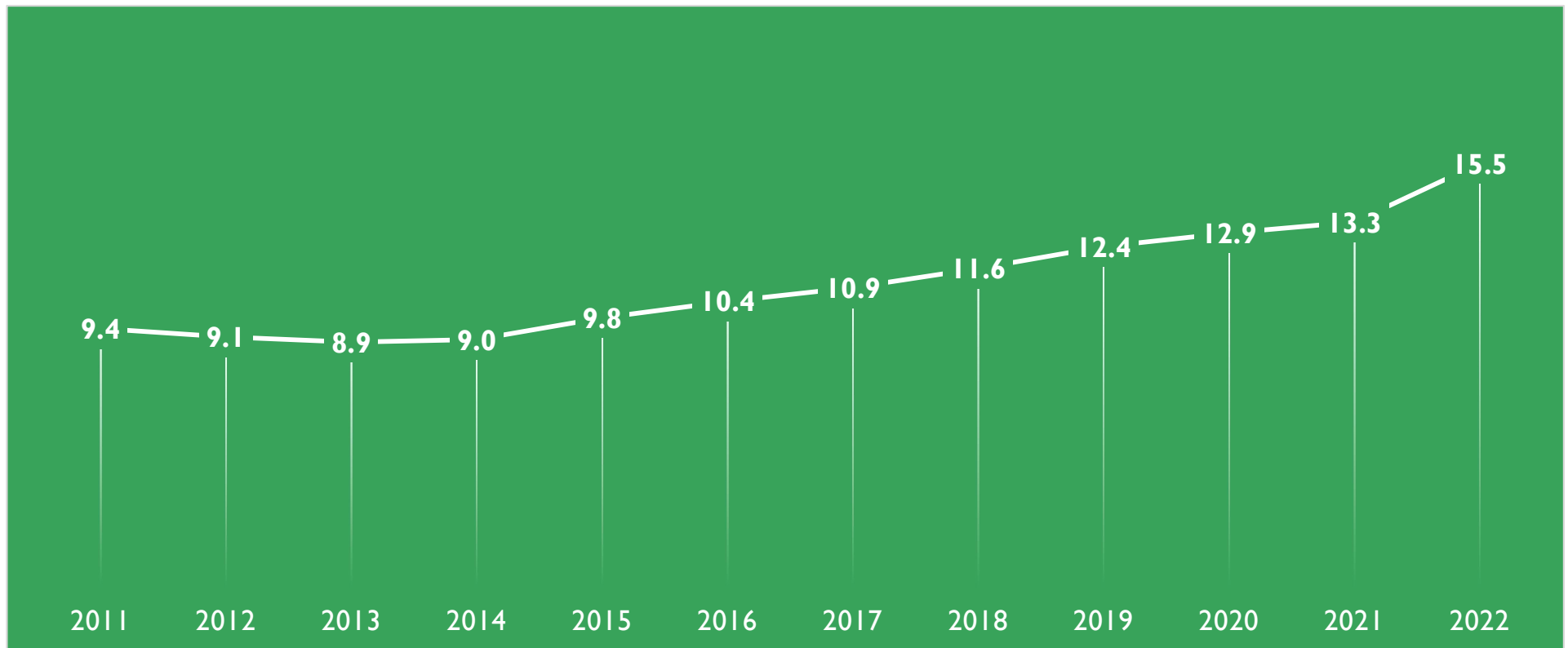
The CITY of
EDINA

- Increased competition, wages, and labor shortages,
Budgeted 2.0% in 2022 and 3.0% in 2023, market was significantly higher
Union contracts settled at 2.0% (2022) and 4.25% (2023)
Workers' compensation increases primarily due to public safety
- Estimated market value increased significantly by 12.4% and the Median Value Home increased 15%
Opportunity to increase investment in capital needs while still reducing property taxes for individual home owners



The CITY of
EDINA

Estimated Market Value (B)



	Budget 2021	Approved Budget 2022 Budget 2023		Preliminary Budget 2023	Change 2022 to 2023
General Fund Levies					
General Operating Levy	\$33,986,471	\$36,708,036	\$38,947,298	\$ 39,820,200	
General Fund Subtotal	33,986,471	36,708,036	38,947,298	39,820,200	3,112,164
Increase From Prior Year (%)	6.14%	8.01%	6.10%	2.24%	8.48%
Arts and Culture Fund Levies					
Arts and Culture	20,000	-			
Arts and Culture Fund Subtotal	20,000	-		-	
Increase From Prior Year (%)	0.00%	-100.00%			
Debt Service Fund Levies					
Gymnasium Debt Service	392,000	392,000	392,000	392,000	
Fire Station Debt Service	402,000	403,000	403,000	403,000	
Public Works Facility Debt Service	1,695,000	1,269,000	1,269,000	1,269,000	
Sports Dome	1,162,400	1,168,000	1,166,000	1,166,000	
Debt Service Fund Subtotal	3,651,400	3,232,000	3,230,000	3,230,000	(2,000)
Increase From Prior Year (%)	-20.56%	-11.49%	-0.06%	0.00%	-0.06%
Construction Fund Levies					
Capital Improvement Plan Levy	2,000,000	2,000,000	2,000,000	2,000,000	
Equipment Levy	2,130,000	2,240,000	2,350,000	2,350,000	
Street Special Levy		950,000	1,210,400	1,210,400	
Special Park Improvement Levy	-	-	-	1,000,000	
Construction Fund Subtotal	4,130,000	5,190,000	5,560,400	6,560,400	1,370,400
Increase From Prior Year (%)	45.94%	25.67%	7.14%	17.98%	26.40%
HRA Fund Levies					
HRA Operating Levy	230,400	237,300	244,400	244,400	
HRA Fund Subtotal	230,400	237,300	244,400	244,400	7,100
Increase From Prior Year (%)	20.00%	2.99%	2.99%	0.00%	2.99%
Total Property Tax Levy	\$42,018,271	\$45,367,336	\$47,982,098	\$ 49,855,000	\$ 4,487,664
Increase From Prior Year (%)	5.95%	7.97%	5.76%	3.90%	9.89%



The CITY of
EDINA

2023 Estimated Levy Impacts



The CITY of
EDINA

- The 2021 median valued home of \$571,800 (MVH) pays about \$142 per month in property taxes to fund all City provided services for the 2022 tax year.
- The 2022 MVH has increased by 15% to \$ **659,900** and overall EMV increased 12.4% for taxes payable in 2023.
- With a 9.89% property tax levy increase, the effect on the 2023 MVH would be about a:
 - 3.15% decrease in City property taxes.
 - \$64.06 decrease per year, or savings of about \$5.34 per month.

PROPOSED 2023 Preliminary Tax Levy



The CITY of
EDINA

- **Additional \$872,902 General Operating Levy**
General wage increases, market adjustments, worker's compensation increases and all other inflationary increases
- **Additional \$1,000,000 Special Park Improvement Levy**
Capital Needs for Parks and Recreation Facilities

2023 Estimated Levy Impact



The CITY of
EDINA

Edina Median Value Home		
2021	2022	Change
\$547,800	\$659,900	15%

Edina Estimated Market Value		
2021	2022	Change
\$13.3M	\$15.5M	12.4%

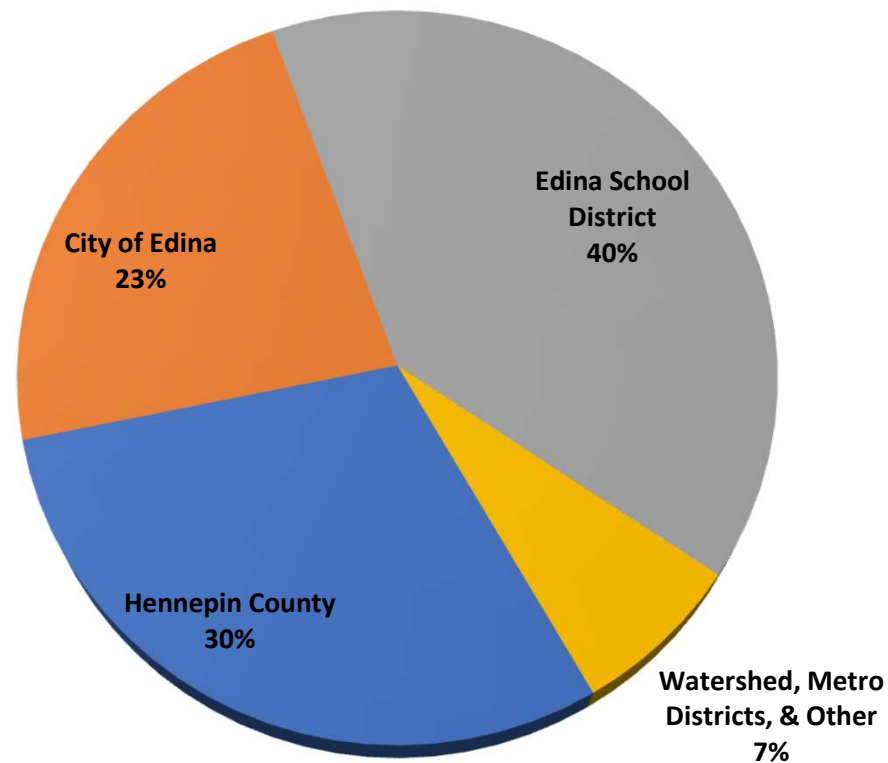
2023 Proposed Preliminary Levy Increase of 9.89%

Median Value Home	2022 Paid (Monthly)	2023 Proposed (Monthly)	% Decrease	\$ Decrease
\$571,800	\$142	\$138	-2.8%	-\$4
\$659,900	\$164	\$159	-3.5%	-\$5

2022 Property Tax Distribution



The CITY of
EDINA

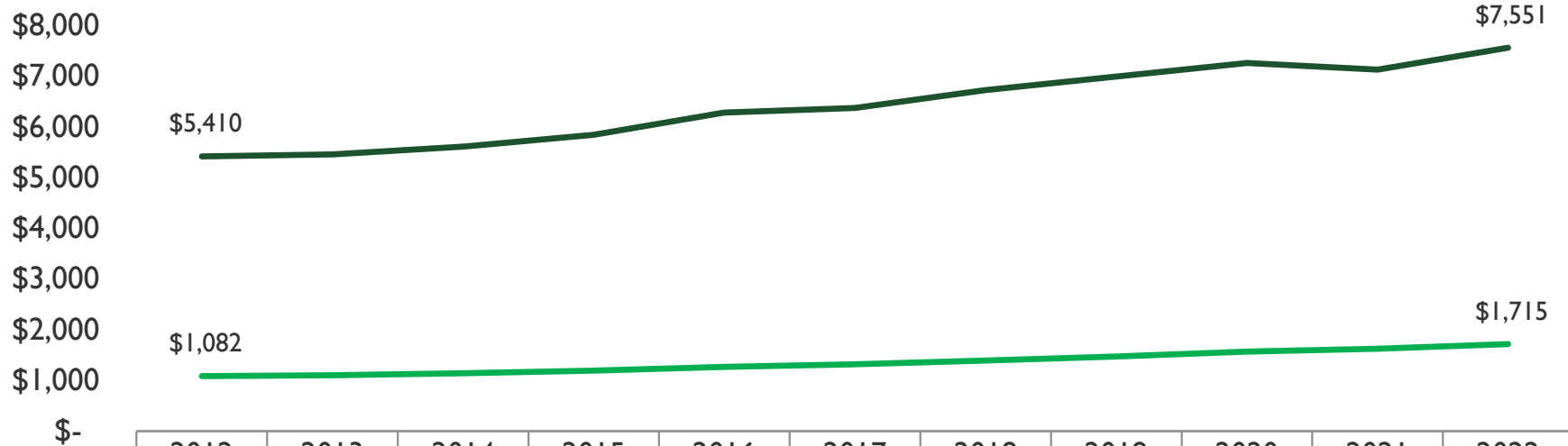




The CITY of
EDINA

Property Tax History

"Median" Value Home



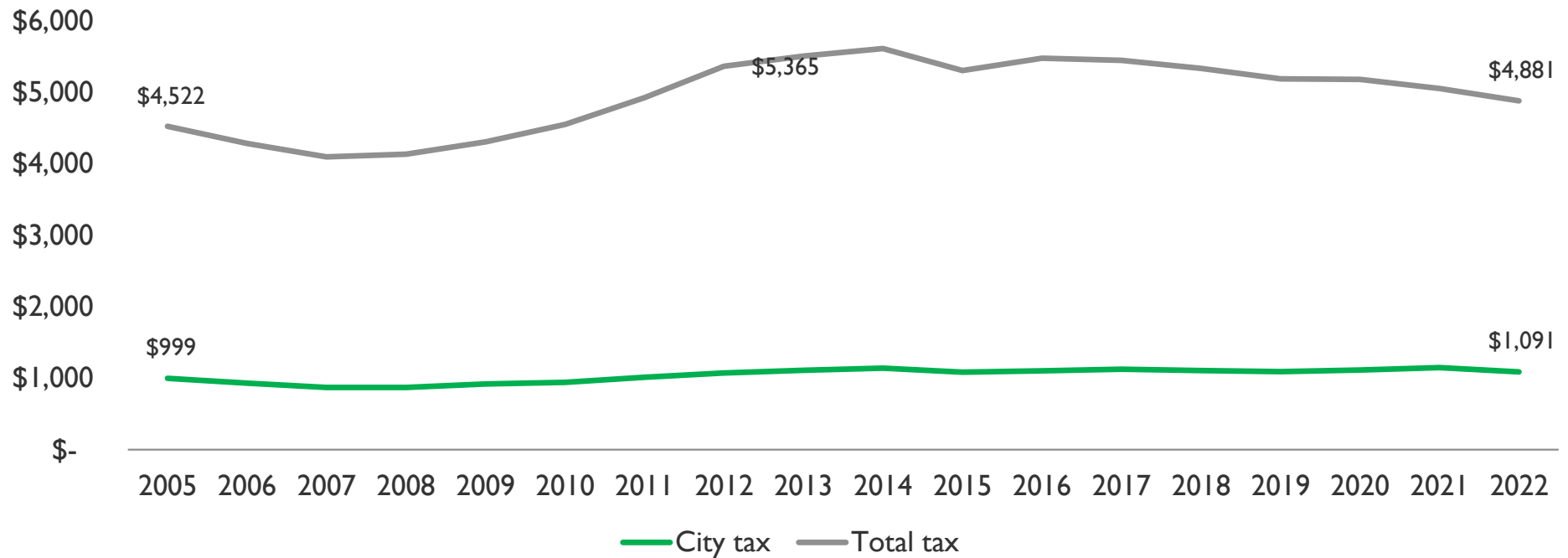
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City tax	\$1,082	\$1,102	\$1,140	\$1,195	\$1,266	\$1,319	\$1,393	\$1,474	\$1,566	\$1,623	\$1,715
Total tax	\$5,410	\$5,449	\$5,606	\$5,835	\$6,276	\$6,367	\$6,715	\$6,982	\$7,251	\$7,119	\$7,551
Median Value	\$403,100	\$396,300	\$399,700	\$438,800	\$457,300	\$466,500	\$501,000	\$530,650	\$548,500	\$551,300	\$571,800

Property Tax History



The CITY of
EDINA

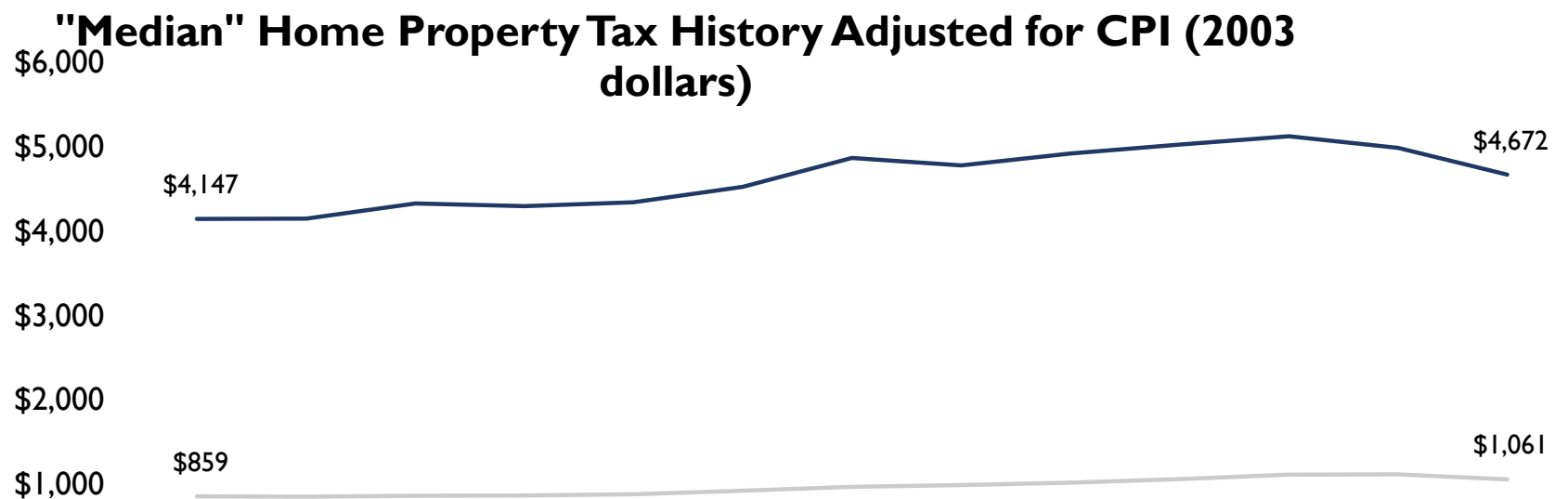
\$400,000 Edina Home Property Tax History





The CITY of
EDINA

Median Home – CPI Adjusted



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Median Value	\$432,700	\$411,500	\$403,100	\$396,300	\$399,700	\$438,800	\$457,300	\$466,500	\$501,000	\$530,650	\$548,500	\$551,300	\$571,800
— Total City (2003 dollars)	\$859	\$854	\$867	\$869	\$884	\$927	\$972	\$991	\$1,021	\$1,062	\$1,115	\$1,117	\$1,061
— Total Tax (2003 dollars)	\$4,147	\$4,153	\$4,333	\$4,298	\$4,347	\$4,527	\$4,872	\$4,782	\$4,922	\$5,030	\$5,128	\$4,992	\$4,672

Projected CIP Levy



The CITY of
EDINA

	Budget	Approved		Preliminary	Change	Projection	Projection	Projection	Projection	Projection	Projection
	2021	Budget	Budget	Budget	2022 to 2023	2024	2025	2026	2027	2028	2029
		2022	2023	2023							
Debt Service Fund Levies											
Gymnasium Debt Service	392,000	392,000	392,000	392,000		392,000	398,000	-	-	-	-
Fire Station Debt Service	402,000	403,000	403,000	403,000		403,000	406,000	403,000	404,000	-	-
Public Works Facility Debt Service	1,695,000	1,269,000	1,269,000	1,269,000		1,508,000	1,512,000	1,508,000	1,506,000	1,506,000	456,750
Sports Dome	1,162,400	1,168,000	1,166,000	1,166,000		1,168,700	1,165,100	1,166,100	1,166,400	1,164,800	1,166,400
Fire Station 2 Debt Service*							2,304,800	3,086,700	3,090,200	3,091,400	3,089,100
Debt Service Fund Subtotal	3,651,400	3,232,000	3,230,000	3,230,000	(2,000)	3,471,700	5,785,900	6,163,800	6,166,600	5,762,200	4,712,250
Increase From Prior Year (%)	-20.56%	-11.49%	-0.06%	0.00%	-0.06%	7.48%	66.66%	6.53%	0.05%	-6.56%	-18.22%
Construction Fund Levies											
Capital Improvement Plan Levy	2,000,000	2,000,000	2,000,000	2,000,000		2,000,000	2,000,000	2,400,000	2,400,000	3,000,000	4,000,000
Equipment Levy	2,130,000	2,240,000	2,350,000	2,350,000		2,470,000	2,590,000	2,720,000	2,860,000	3,000,000	3,150,000
Street Special Levy		950,000	1,210,400	1,210,400		1,480,840	1,761,600	2,053,000	2,355,400	2,669,000	2,994,200
Special Park Improvement Levy	-	-	-	1,000,000		1,000,000	400,000	400,000	400,000	400,000	1,000,000
Construction Fund Subtotal	4,130,000	5,190,000	5,560,400	6,560,400	1,370,400	6,950,840	6,751,600	7,573,000	8,015,400	9,069,000	11,144,200

*Future Fire Station 2 debt service levy is an estimate



The CITY of
EDINA

Next Steps

- Certify Preliminary Tax Levy tonight
- Based on Council input, continue to refine budget
- Public Hearing and adoption of 2023 Budget/Levy and CIP on Dec. 6

Questions/Discussion



The CITY of
EDINA