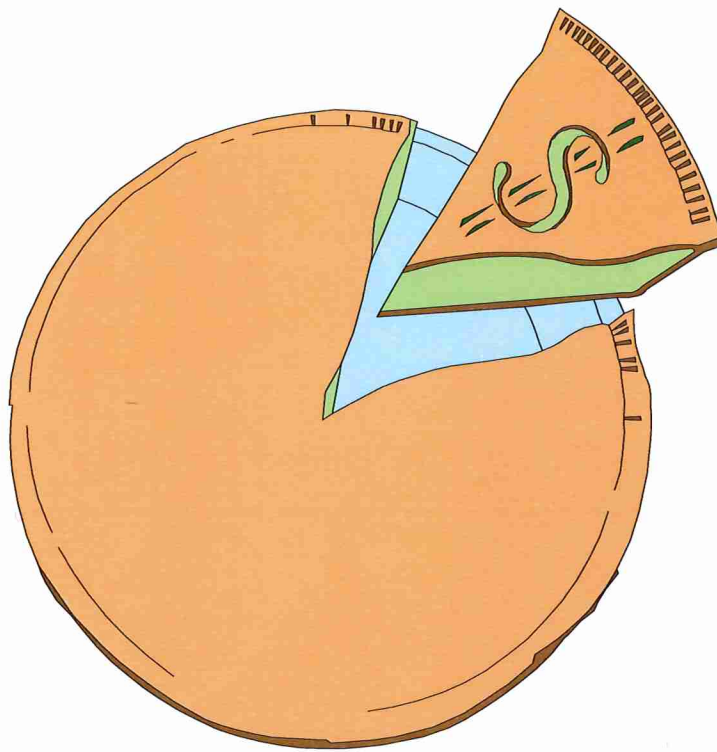


**City of Hibbing
Truth in Taxation
Presentation**

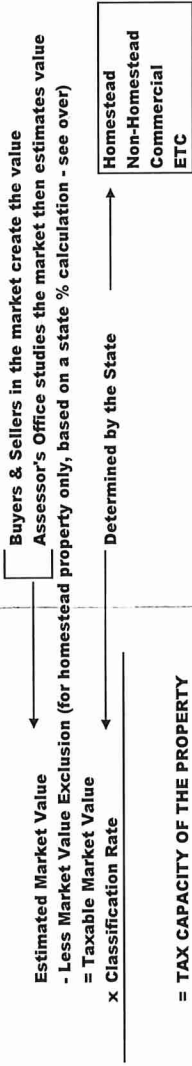


Where Does Your Tax Dollar Go?

2022

HOW IS YOUR INDIVIDUAL PROPERTY TAX BILL DETERMINED?

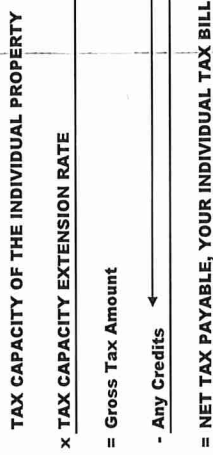
STEP 1 Calculate Tax Capacity of the Property



STEP 2 Determine Tax Capacity Extension Rate



STEP 3 Determine Net Tax Payable



Section 2

-4-

Hibbing, Minnesota

Market Value Exclusion:

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.

Classification Rate:

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%.

Homestead Market Value Credit:

The homestead tax credit is a refund that is based upon your household income and property taxes paid.

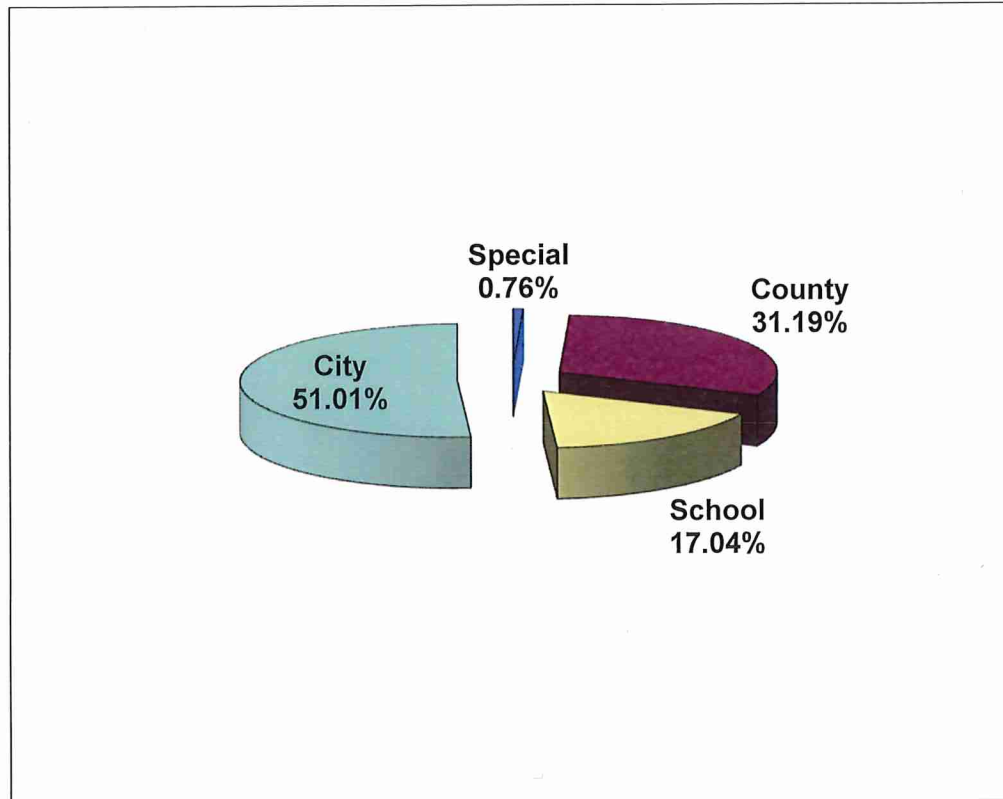
Taconite Residential Supplemental Aid:

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.

City of Hibbing

Property Tax Allocation - Fiscal Year 2022

(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**).

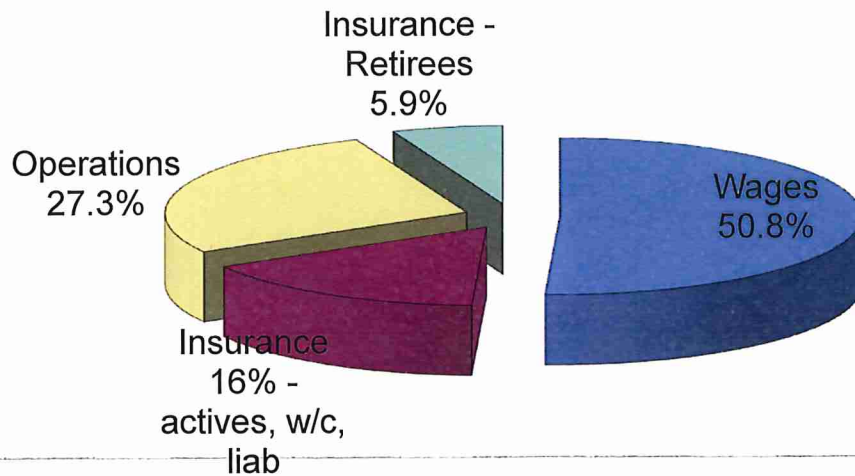
The reader may note that for each tax dollar raised through the City's share of total taxes, the specific distribution by category of expenditure is as follows:

General Government	\$	0.05
Public Works		0.15
Other Functions		0.14
Police		0.17
Fire/Ambulance		0.10
City Services		0.09
HEDA Levy		0.01
Library Levy		0.08
Debt Service		0.05
OPEB debt service		0.05
Special Levy - tax abatement/Ec Development CHAA MOU		0.01
Permanent Improvements		0.06
Capital Fund		0.04
Total	\$	1.00

City of Hibbing
2022 Proposed General Fund Expenditures

(The figures below were obtained from the Preliminary Budget)

	<u>Total Dollars</u>	<u>Percent</u>
Wages	10,419,149	50.8%
Insurance (employees, w/c, liab)	3,274,414	16.0%
Operations	5,607,031	27.3%
Insurance - Retirees	1,204,217	5.9%
<i>Total</i>	<u>20,504,811</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>	<u>2022</u>
City Council	7	7	7	7	7
Administration	2	2	2	2	2
Economic Development	1	0	0	0	1
Technical Support	9	7	7	7	8
Building & Housing - Supervisor					1
Building & Housing - Support Personnel	3	3	2	2	1
Police Department - Supervisor	1	1	2	2	3
Police Department - Technical Support	4.5	4	3	3	3
Police Department - Uniformed Officers	29	26	26	26	26
Library - Supervisor					1
Library - Support Personnel	8	6	6	6	5
Fire Department - Supervisor	1	1	1	1	1
Fire Department - Uniformed Officers	24	26	27	27	27
South Waste Treatment Plant - Supervisor					1
South Waste Treatment Plant - Support Personnel	5	5	5	5	5
Public Works - Supervisor	3	2	3	3	3
Public Works - Technical Support	3	2	2	2	2
Public Works - Streets & Alleys/Garage Support Personnel	20	20	21	21	21
Public Works - Waste Collection Systems Support Personnel	5	5	4	4	4
Memorial Building - Admin.	1	0	0	0	0
Memorial Building - Support	5.5	0	0	0	0
Sanitation - Supervisor	1	1	0	0	0
Sanitation - Support Personnel	10	10	9	9	9
Parks	4.5	0	0	0	0
Recreation/Administration	4	0	0	0	0
City Services - Supervisor		1	1	1	1
City Services - Support Personnel		13	13	13	13
Cemetery - Support Personnel	2	2	2	2	2

**Total Preliminary Budget Employee Headcount
as Recommended by Administration**

153.5 144 143 143 147

**City of Hibbing
Average Property Tax Statement
Fiscal Year 2022**

WHAT LOCAL GOVERNMENT WILL COST IN 2022 BASED ON PRELIMINARY BUDGETS

	Percent	\$97,500 Homestead	Percent	\$223,300 Commercial
City of Hibbing	49.05%	\$ 482.69	32.7%	\$ 2,453.01
City of Hibbing - CHAA	1.96%	19.25	1.3%	97.83
State of Minnesota		0.00	10.9%	819.92
St. Louis County	31.18%	306.86	20.8%	1,559.27
School District	17.04%	167.71	7.3%	549.98
Special Taxing Districts	0.76%	7.49	0.5%	37.80
Fiscal Disparity			26.4%	1,979.19
Total	100.00%	\$ 984.00	100.0%	\$ 7,497.00

	Levy Coverage	\$97,500 Homestead	\$223,300 Commercial
General Gvt.	\$ 543,880	\$ 31.99	\$ 162.59
Public Works	1,327,289	78.08	396.78
Other Functions	1,057,046	62.18	315.99
Police	1,342,214	78.95	401.24
Fire	854,674	50.27	255.50
City Services Dept.	766,371	45.08	229.10
Total General Fund	5,891,475	346.56	1,761.19
HEDA	105,177	6.19	31.44
Library	586,043	34.47	175.19
Debt Service:			
City Issued Debt/Cert of Indebt	422,197	24.84	126.21
OPEB	500,000	29.41	149.47
Special Economic Development Levies:			
Tax abatements	50,000	2.94	14.95
CHAA MOU - Building	34,360	2.02	10.27
Permanent Improvements	540,000	31.76	161.43
Capital Fund	403,732	23.75	120.69
Total	\$ 8,532,984	\$ 501.94	\$ 2,550.84

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.

Truth in Taxation - Based upon 2022 Preliminary Budget

	Total Expenditures	Direct Revenue Offset	Net	% Reduction	Levy Coverage
General Government	1,831,945	161,836	1,670,109	1,019,006	651,103
Public Works	3,650,697	1,750	3,648,947	2,226,380	1,422,567
Other Functions	4,402,272	966,458	3,435,814	2,096,339	1,339,475
Police	4,251,517	340,805	3,910,712	2,386,094	1,524,618
Fire/Ambulance	4,012,671	1,688,000	2,324,671	1,418,382	906,289
Dept. of City Services	2,355,709	298,950	2,056,759	1,254,918	801,841
General Fund	20,504,811	3,457,799	17,047,012	10,401,119	6,645,893
HEDA	105,177		105,177		105,177
Library (586,043 state mandate plus 177,264 transfer from general fund to fund deficit)	586,043		586,043		586,043
Debt Service	422,197		422,197		422,197
OPEB Debt Service Levy	500,000		500,000		500,000
Permanent Improvement	540,000		540,000		540,000
Special Levy - Tax Abatement	84,360		84,360		84,360
Capital Fund	403,732		403,732		403,732
	23,146,320	3,457,799	19,688,521	10,401,119	9,287,402

Truth in Taxation - 2022 Budget

General Government Expenditures

City Council Dept.	308,594.00
Election & Voter Dept.	73,795.00
City Clerk's Office	691,381.00
City Administration Dept.	205,063.00
Assessing Dept.	74,257.00
Building & Housing Dept.	239,605.00
Computer Operations	138,000.00
City Hall	101,250.00

Total Expenditures 1,831,945.00

Direct Revenue Offsets

Building Permits	(70,000.00)
Assessment Searches	(10,000.00)
License fees	(35,836.00)
City Hall rent	(6,000.00)
SLC An Ctrol admin	-
IRRRB Grants	(40,000.00)

General Government 1,670,109.00

Public Works

Engineering	411,105.00
Garage #1	637,349.00
Streets & Alleys	2,544,243.00

Street Lighting 58,000.00

Total Expenditures 3,650,697.00

Direct Revenue Offsets

Maps	(750.00)
Culvert Fee	(1,000.00)

Total Public Works 3,648,947.00

Other Functions

Accounting	55,000.00
Legal	60,000.00
Personnel	226,480.00
Economic Devel	190,960.00
Bus	727,783.00
Cemetery	265,068.00
Judgements & Losses	13,000.00
Unall Gen / ins.	2,124,717.00
Other Unall / misc	562,000.00
Other Uses - op transfers	177,264.00

Total Expenditures 4,402,272.00

Direct Revenue Offsets

Petro Refund	(4,000.00)
Bus Grant	(709,858.00)
Bus Fares	(47,500.00)
Cem-Lot Sales	(20,000.00)
Cem-Col. niche Sales	(20,000.00)
Cem-storage	(100.00)
Cem-Grave Open	(35,000.00)
Franchise Fee	(130,000.00)

Total Other Functions 3,435,814.00

Police Expenditures

Police Dept	4,053,217.00
Animal Shelter	98,300.00
Prosecutorial Svcs	100,000.00

Total Expenditures 4,251,517.00

Direct Revenue Offsets

BWDTF	(20,000.00)
ISD Police Officer	(24,605.00)
State grants	(2,000.00)
Provided Police Sv	(1,000.00)
Police state aid	(200,000.00)
Fines and Forfeits	(52,100.00)
Criminal Background Ck	(100.00)
Peace Off. Benefits Reimb.	(15,000.00)
Fed Grant - Bullet Proof Vest	(5,000.00)
Opioid Grant	-
Police Donations	(6,000.00)
POST Training Aid	(15,000.00)

Total Police 3,910,712.00

Fire Department Expenditures

Fire Department	2,424,231.00
Paid on Call	164,443.00

Hydrants

Emergency Prep 10,500.00

Ambulance 1,413,497.00

Total Expenditures 4,012,671.00

State aid - fire (77,000.00)

Grants - Fire Dept (5,000.00)

SAFER Grant -

Petro Refund (4,000.00)

Fire daycare inspections -

Fire Extrication (2,000.00)

Ambulance (1,600,000.00)

Total Fire 2,324,671.00

City Services Department

Combined Mem Bldg, Parks & Rec, Golf Course, Bus Museum	2,355,709.00
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Direct Revenue Offsets

Charges for Svcs - Mem Bldg (176,750.00)

Charges for Svcs - Park/Rec (52,200.00)

Golf fees (70,000.00)

Total City Services 2,056,759.00

City of Hibbing
Recommended 2021 Levy / 2022 Collection

	PRELIMINARY LEVY	PROPOSED FINAL	INCREASE/(DECREASE)
General Fund (includes transfer to Library of \$177,264)	\$ 6,645,893.00	\$ 6,427,759.00	(218,134.00)
Library Fund	586,043.00	\$ 586,043.00	-
Debt Service	422,197.00	\$ 422,197.00	-
OPEB	500,000.00	\$ 400,000.00	(100,000.00)
HEDA	105,177.00	\$ 105,177.00	-
Permanent Improvements	540,000.00	\$ 540,000.00	-
Special Levies: Tax abatements	50,000.00	\$ 50,000.00	-
CHAA MOU - Building	34,360.00	\$ 34,360.00	-
Capital Fund	403,732.00	\$ 441,732.00	38,000.00
Recommended 2021 Levy (2022 Collection)	<u>\$ 9,287,402.00</u>	<u>9,007,268.00</u>	<u>(280,134.00)</u>
2020 Final Levy (2020 levy/2021 collection)	\$ 8,458,628.00	8,458,628.00	
Increase from 2021 Levy to 2022 Levy	<u>828,774.00</u>	<u>548,640.00</u>	
Percentage of Levy Increase Over Prior Year	\$ 9.80%	6.49%	-3.31%

Questions about your Property Taxes?



Contact

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218-262-6087