

TRUTH IN TAXATION HEARING

CITY OF CARLTON

TAX YEAR 2022

Dear Carlton Taxpayer;

The Carlton City Council and staff have worked diligently to ensure the city has a budget that is not only fiscally responsible but also maintains recommended budget reserves. The Carlton City Council and staff have estimated that a **1.53 percent** increase in property taxes for 2022 will be necessary to achieve those goals. However, not everyone's property tax bill will increase by the same rate. There are several factors that could have an impact on your property tax bill:

1. **Individual property value** - If your property's value increased or decreased, it will affect the amount of property taxes you owe. Rising property values increase the taxable amount of your property and decreasing property values lower the taxable amount of your property.
2. **Value of other properties in the City** – If the total value of other property in the City rises faster than the value of your property, more of the burden of the property tax levy will be on those properties and your taxes may go down. If the total value of other property in the City rises more slowly than the value of your property, your property will bear more of the burden of the property tax levy, and your taxes may go up.
3. **Value of properties within Tax Increment Financing (TIF) districts** – TIF is a development tool which segregates most of the value of properties within TIF districts from the City's property tax base. When the city increases or decreases the number and value of properties within TIF districts, this affects the property tax burden payable by all property taxpayers within the City.
4. **Homestead Market Value Exclusion** – The Homestead Market Value Exclusion program reduces the taxable value on certain homes. The program is not a credit, but rather a means of reducing the amount of the value on certain homes that is subject to property taxes. You'll notice the difference between "market value" and "taxable value" on your proposed property tax notice that is attributable to this program.
5. **Other jurisdictions' tax increases** – The Carlton Public Schools and Carlton County portions of your property tax bill may also change this year.

Local Government Aid (LGA) is a State of Minnesota program that was originally created in 1971 as a means of reducing the disparities in the quality of education, county services and city services between jurisdictions with higher taxable values and lower taxable values. LGA goes directly into the City's General Fund, which primarily pays for essential services like Police, Fire, and Public Works, as well as many of the City's other core functions. The estimated combined LGA amounts for 2022 will have small increase and can be expected to remain stable for the foreseeable future.

To provide you with information, attached is document entitled Exhibit "A". This Exhibit shows the city budget, tax levy, percentages of increases or decreases over the last several years, and the proposed budget and levy for 2022. The budget includes public safety, operating expenses, debt repayment, capital improvement funds necessary to maintain infrastructure and anticipated equipment needs. Although there are many variables for the upcoming year, we are committed to remaining fiscally responsible and meeting future obligations.

2022 Tax Levy

General Fund	\$266,466.00
Four Season	\$5,000.00
Fire Fund	\$55,668.00
Fire Relief Fund	\$2,500.00
Library Fund	\$20,929.00
2015 G.O. Bond	\$83,556.00
Cemetery Fund	\$23,454.00
Levy Total for 2021	\$457,573.00

2022 General Funds Budget

Fund	Disbursements	Revenue other than Levy
General Fund	\$604,430.00	\$337,964.00
Four Seasons	\$5,000.00	
Fire Fund	\$168,747.00	\$113,079.00
Fire Relief Fund	\$26,500.00	\$24,000.00
Library Fund	\$27,929.00	\$7,000.00
Project Debt	\$135,400.00	\$51,843.00
Cemetery	\$35,444.00	\$11,990.00
Budget Totals	\$1,003,450.00	\$545,876.00

2022 Enterprise Funds Budget (Non-Tax Levied Funds)

Fund	Disbursements	Revenue
Ambulance	\$477,365.00	\$499,059.00
Water	\$367,923.00	\$334,740.00
Sewer	\$204,421.00	\$220,800.00

EXHIBIT A
RECENT LEVY HISTORY BY FUND

	GENERAL FUND	FOUR SEASONS	FIRE FUND	POST RETIRE	FIRE RELIEF	LIBRARY FUND	CEMETERY FUND	PROJECT DEBT	TOTAL LEVY	INC. DEC.
2005	\$98,006.00	0.00	\$27,210.00	\$5,250.00	\$2,500.00	\$20,115.00		\$25,825.00	\$178,906.00	
2006	\$105,527.00	0.00	\$31,145.00	\$5,250.00	\$2,500.00	\$22,350.00		\$28,235.00	\$195,007.00	6.49%
2007	\$104,911.00	5,000.00	\$32,038.00	\$5,250.00	\$2,500.00	\$22,350.00		\$31,603.00	\$203,652.00	4.43%
2008	\$110,710.00	5,000.00	\$34,356.00	\$5,250.00	\$2,500.00	\$22,350.00		\$34,687.00	\$214,853.00	5.50%
2009	\$130,818.00	5,000.00	\$34,365.00	\$3,600.00	\$2,500.00	\$22,271.00		\$35,610.00	\$234,164.00	8.99%
2010	\$128,166.00	5,000.00	\$48,674.00	\$3,600.00	\$2,500.00	\$22,350.00		\$37,613.00	\$247,903.00	5.87%
2011	\$139,128.00	5,000.00	\$43,955.00	\$6,000.00	\$2,500.00	\$19,243.00		\$37,050.00	\$252,876.00	2.01%
2012	\$140,781.00	5,000.00	\$45,554.00	\$5,100.00	\$2,500.00	\$17,320.00		\$41,759.00	\$258,014.00	2.03%
2013	\$143,051.00	9,000.00	\$45,425.00	\$4,600.00	\$2,500.00	\$17,320.00		\$41,369.00	\$263,265.00	2.04%
2014	\$121,250.00	5,000.00	\$47,310.00	\$3,600.00	\$2,500.00	\$17,318.00	\$30,000.00	\$41,552.00	\$268,530.00	2.00%
					Carlton and Thomson Merged Levy Amount					\$371,021.00
2015	\$259,511.39	5,000.00	\$42,362.00	\$0.00	\$1,500.00	\$17,319.00	\$12,506.17	\$40,873.00	\$379,071.56	2.17%
2016	\$216,999.00	5,000.00	\$43,552.00	\$2,331.00	\$2,500.00	\$23,119.00	\$14,730.00	\$78,437.00	\$386,668.00	2.00%
2017	\$210,728.00	5,000.00	\$46,143.00	\$2,321.00	\$2,500.00	\$23,319.00	\$14,082.00	\$94,590.00	\$398,683.00	3.11%
2018	\$189,922.00	5,000.00	\$53,238.37	\$1,900.00	\$2,500.00	\$23,000.00	\$39,014.00	\$94,086.00	\$408,660.37	2.50%
2019	\$217,097.00	5,000.00	\$54,595.00	\$1,256.00	\$2,500.00	\$22,342.00	\$21,064.00	\$93,582.00	\$417,436.00	2.15%
2020	\$242,885.00	5,000.00	\$55,095.00	\$0.00	\$2,500.00	\$23,319.00	\$17,637.00	\$91,574.00	\$438,010.00	4.93%
2021	\$259,890.00	5,000.00	\$55,415.00	\$0.00	\$2,500.00	\$20,781.00	\$21,682.00	\$85,431.00	\$450,699.00	2.90%
2022	\$266,466.00	5,000.00	\$55,668.00	\$0.00	\$2,500.00	\$20,929.00	\$23,454.00	\$83,556.00	\$457,573.00	1.53%