



City of Hanover

*2024 Truth in
Taxation Public
Meeting*

December 3, 2024

Truth in Taxation - Public Meeting

Purpose

Held prior to approval of the final budget and levy for the upcoming tax year.

Provide the public with information about the proposed levy and budget.

Give the public an opportunity to ask questions.

Nine Factors that Influence the Total Tax Levy

- Property Market Value
- Tax Capacity
- Property Class Rates
- State Aid
- County Budget/Tax Levy
- School Operating Levy
- School District Voter Approved Debt Obligations
- City Budget/Tax Levy
- Special State Laws; *for example, homestead credits*

How Property Tax System Works

- Assessor sets proposed property values as of January 1 for the following year taxes. Values are based on comparable sales.
- These values are sent to the County Auditor. Auditor then sends property-specific notices to property owners notifying of the value change. Included in the notice is the information about the Board of Review meeting.
- City Council conducts Board of Review meeting in April of each year; this is when residents can question their proposed values.
- Values are then finalized and set for calculating the taxes.
- City and other jurisdictions adopt levy and budgets in December. Tax rates are calculated by County based on the levies adopted by each jurisdiction.

New Residential Construction

Increase in permitting activity 2021-Present = Community Growth

Year	New Single Family	New Townhome/Villa	New Multi-Family	Total New Dwelling Units
2012	13			13
2013	44			44
2014	30			30
2015	18	3		21
2016	28	2	24	54
2017	7	1		8
2018	10	2		12
2019	14	3		17
2020	20	2		22
2021	63	10	24	97
2022	63	15		78
2023	82	2		84
2024	42	9		51 so far*

Hanover Households Data – Estimated Population Increase Since April 2023

(State Demographer + New Construction Building Permits x Average Household Size in Comp Plan)

**New construction permits issued in 2024 as of November 27, 2024*

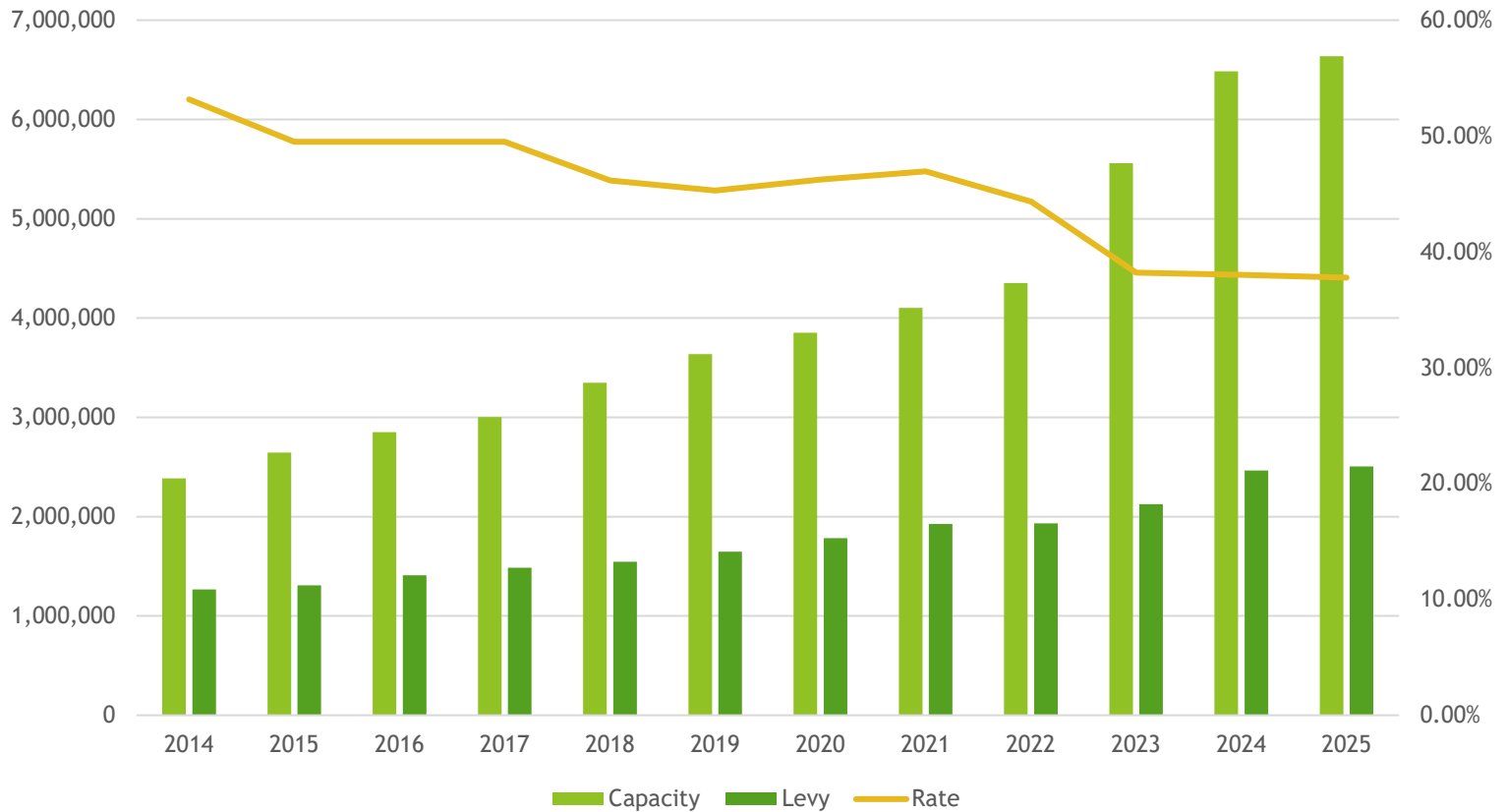
	New Residential Units (Building Permits)	Average Hanover Est. Household size - 3 residents	Estimated Population Increase	Total Population Estimate
April 2023 Households (starting number)	-----	-----	-----	4,089
2023	84	X3	252	4,341
2024	51*	X3	153	4,494

RESIDENTIAL GROWTH - NEW CONSTRUCTION

Effects of Growth on Budget

- ▶ Reduced tax rate for past 4 years in a row, down about 16% over the last twelve years - 53.58% in 2013 to 37.78% proposed for 2025
- ▶ More people and households needing services, but also more households to share in overall needs - need to adjust and balance
- ▶ Increase in levy required to meet needs for larger and still growing population, but Council has held tax rate steady or reduced for last 4 years

Tax Capacity, Tax Levy and Tax Rate Comparison



Notable 2025 Levy Impact Items

- ▶ One New Staff Position - Starting Spring 2025
 - ▶ Planning and Development Coordinator
 - ▶ assist with active development coordination
 - ▶ improve response times & service levels for zoning/permitting items
 - ▶ code enforcement response
 - ▶ take backlog of work off consultants and management for items that don't require their expertise at higher rate

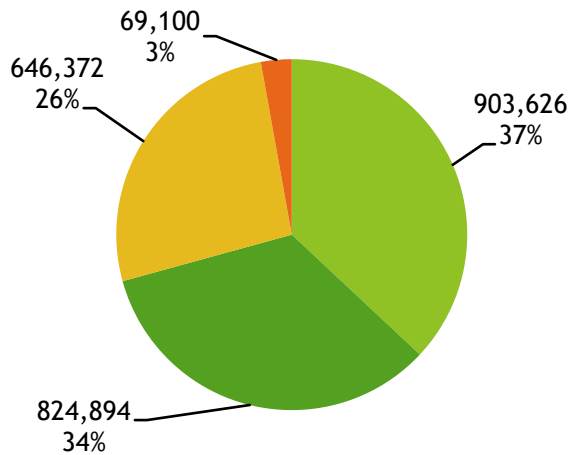
Breakdown of 2025 Preliminary Property Tax Levy

	<u>2024</u>	<u>2025</u>
General Fund Levy	\$1,397,508	\$1,514,389
Fire Protection Levy	\$178,464	\$187,281
Debt Services Levy	\$108,434	\$100,000
<u>Capital Improvement Levy</u>	<u>\$780,508</u>	<u>\$704,998</u>
<u>Total City Levy</u>	<u>\$2,464,914</u>	<u>\$2,506,668</u>
EDA	\$63,452	\$65,716
<u>Total Hanover Property Tax Levy</u>	<u>\$2,528,366</u>	<u>\$2,572,384</u>

Change 2024 to 2025: \$44,018

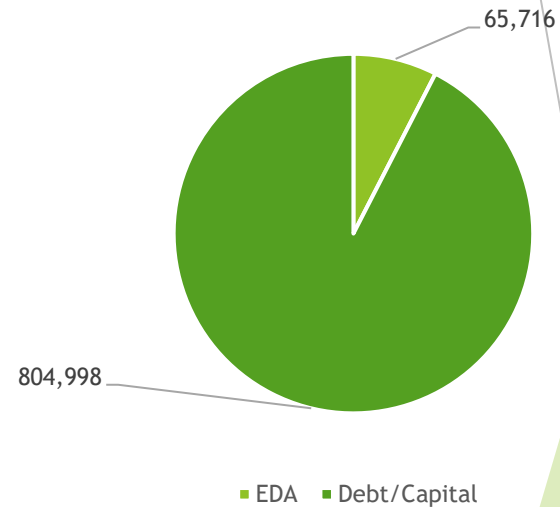
General Fund Expenditures & Other Property Tax Funded Activities

General Fund Expenditures



General Fund Budget
\$2,443,992

Other Tax Supported Expenditures



Other Services
\$870,714

City of Hanover Organization Chart

Citizens of Hanover

Mayor and City Council

(Has the authority to exercise all powers granted to it under State Law; judge the qualification and election of its membership; legislate for the City; direct enforcement of City Ordinances; appoint administrative personnel; manage City financial operations; appoint members of Boards; protect the welfare of residents; and provide community leadership)

City Administrator

(Chief Administrative Officer of the City, exercising oversight over all municipal services and operations; serves as Zoning Administrator and chief advisor to City Council)

Park Board

(Study and supervise the needs and uses of park; advise Council on park needs)

Planning Commission

(Advise City Council on planning issues pursuant to law; review Comprehensive Plan, Zoning/Subdivision Ordinances and CIP Plan every 5 years)

EDA

(Responsible for coordinating City's economic development program/initiatives; advises City Council on use of tax incentives)

City Planner

(Advices City Council/ Planning Commission and Staff on all planning matters, assists City Administrator in interpreting zoning ordinance)

City Engineer

(Advices City Council on all matters related to public infrastructure)

City Attorney

(Advices City Council on all legal matters)

City Clerk/Asst to City Admin

(Serves as City Clerk, managing licensing, elections, records management, special projects and duties as assigned by Administrator)

Accounting Specialist / Deputy Clerk

(Maintain and prepare accounting, payroll, internal auditing, cash mgmt, investment of funds and other financial record-keeping programs of the City; support for Clerk duties, provides backup to Administrative Assistant as needed)

Administrative Assistant

(Building/zoning and other permits, facility rental/coordination, provides administrative support to consultants, Planning Commission, City Clerk and City Administrator)

Fire Department

**Fire Chief
Assistant Fire Chief
Officers
Members**

(Responsible for extinguishing fires, fire prevention programming, conducting rescue operations, providing first aid/emergency medical services, public education, and emergency management)

Public Works Supervisor

(Supervises and performs work in the maintenance of municipal streets, facilities, stormwater, parks and other public property)

Senior Maintenance Worker

(Performs advanced work in the maintenance of municipal streets, facilities, parks and other public property)

Maintenance Worker

(Performs intermediate semiskilled work in the maintenance and repair of municipal streets, facilities, parks and other public properties; performs custodial duties)

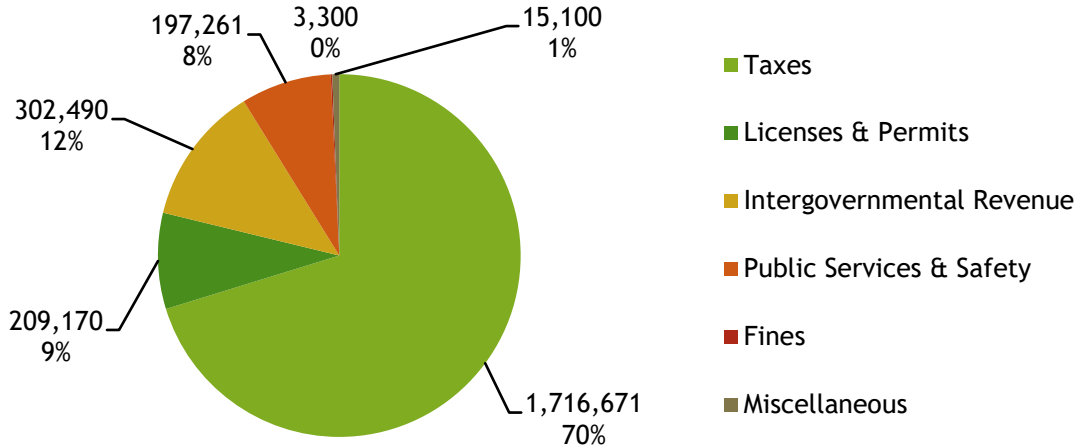
Police Protection

**Wright County Sheriff's Department
Hennepin County Sheriff's Department**

(Protects the health, safety and welfare of City residents; enforces State laws and City ordinances; provides information to the Council regarding crime trends/statistics)

General Fund Revenue by Source Type

General Fund Revenue



Property Value Tax Statement

Hennepin County

2024 Home Value = \$506,400

2025 Home Value = \$500,800

2024 Actual **Total** Tax = \$5,901.72

2025 Proposed **Total** Tax = \$5,951.42

2024 Actual **City** Tax = \$1,929.26

2025 Proposed **City** Tax = \$1,908.42

City's Percent of Total Tax = 32.06%

*Information provided by Hennepin County

Property Value Tax Statement

Wright County

2024 Home Value = \$410,423

2025 Home Value = \$429,148

2024 Actual **Total** Tax = \$4,634.00

2025 Proposed Total Tax = \$4,750.00

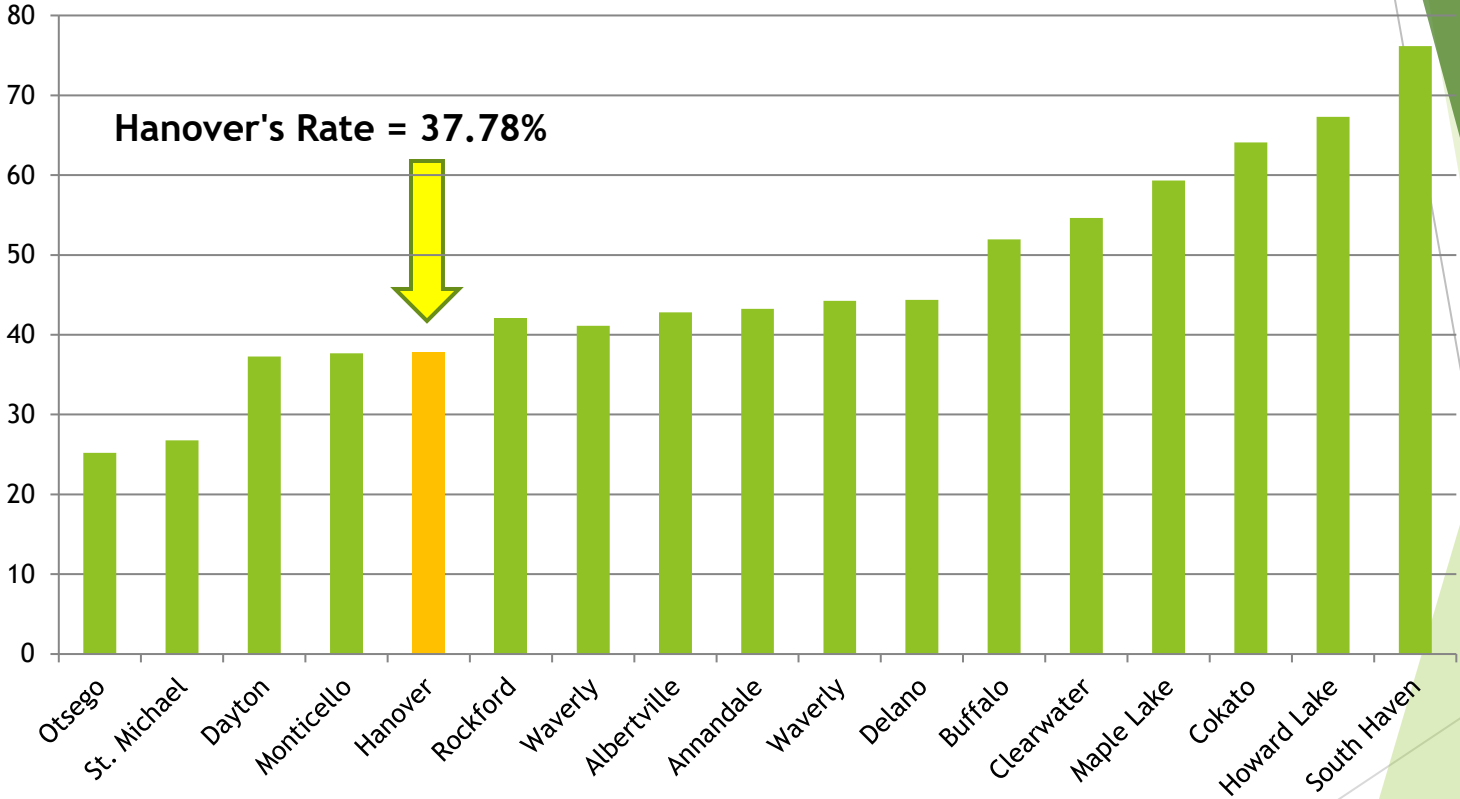
2024 Actual **City** Tax = \$1,593.58

2025 Proposed **City** Tax = \$1,611.10

City's Percent of Total Tax = 33.9%

*Information provided by Wright County

Hanover's 2025 Tax Rate Compared to Other Wright County Cities (proposed)



**data received from Wright County
(Hanover's updated to current proposed 2025 rate)*

Are City Taxes a Good Value?

Some of the services you get for your City Tax Dollars:

- Police Patrol, Crime Lab, and Other Police Services
- Criminal Prosecution
- Fire and Emergency Medical Response
- Street Maintenance/Improvement, Snowplowing and other street services
- Parks, Trails, and Recreation
- Single-sort Curbside Recycling
- Planning & Zoning Administration and Code Enforcement
- City Council, Planning Commission, Park Board, EDA
- Misc. Items – Elections, Assessing, Newsletters, Historical Bridge, Dog Control, Street Lights, Event Support, Holiday Lights, Compost Site, Cemeteries, Senior Center, Library, Clean-up Day, Emergency Sirens, Community Hall Facility Overhead, Business Incentive Programs, Low Interest Business Loans, Emergency Management Services

Final 2025 Property Tax Levy and Budget Adoption:

**City Council Meeting December 3, 2024
Following the Truth in Taxation Hearing
Hanover City Hall**

Questions or Comments on the 2025 Property Tax Levy and Budget?

Thank you

Jennifer Nash, City Administrator