Woodbury's city budget for 2022, which will go before the City Council Dec. 8, proposes a 2.7 percent (or $30) increase in city taxes on the median value home next year. The tax impacts of the proposed budget, as well as the programs and services supported by it, will be reviewed during the regular Council meeting Wednesday, Dec. 8, 7:30 p.m., at Woodbury City Hall. All interested citizens are invited to attend.

The proposed total property tax levy of $41,979,773 supports the cost of services and capital improvements in a growing community, according to City Administrator Clint Gridley.

**Taxable market value**

Woodbury's taxable market value grew by 5.9 percent from 2021 with the median value home increasing 2.9 percent.

**City taxes**

Gridley estimates that city taxes on a residential home valued at $351,100 – the estimated median value – will increase from $1,108 to $1,138. See the table below for the estimated city tax change on homes with higher and lower values than the median.

Gridley noted that market values do not increase or decrease by the same percentage for all properties. Therefore, the estimated city tax may differ for some, particularly if there have been improvements that add value, such as refinishing a basement or adding a three-season porch. Similarly, a larger decrease in value could cause a larger decrease in taxes.

**General Fund budget**

Property taxes help fund city operations in the General Fund, along with the Capital Improvement Fund, Street Reconstruction/Maintenance Fund, Debt Service Funds, and Housing and Redevelopment Authority Fund, for example.

The primary municipal services activity is in the General Fund, which supports the operations of the city. As a service provider to a growing city, the primary cost changes relate to supporting existing personnel, and in key areas, adding new staff (in Administration and Finance, Information Technology, Community Development, Public Safety, Engineering and Public Works).

Property taxes at $30.8 million account for 70 percent of the General Fund revenues. Other sources of revenue include permit fees, charges for various services, miscellaneous revenues, and transfers from other funds.

**Total budget**

Total city expenditures for 2022 are estimated at $130.5 million. The total includes the General Fund and other city funds, such as the water and sewer utility, Eagle Valley Golf Course, HealthEast Sports Center, and more. Increases in the street reconstruction/maintenance, water and sewer utility, stormwater utility, capital improvement, and parks and trails replacement fund budgets largely account for the overall increase in expenditures (see article, page 3).

**Providing a good value**

Under the proposed city budget, a homeowner with a property value estimated at $351,100 for taxes payable in 2022 receives police protection; EMS/fire service; snow plowing and street maintenance; park and trail maintenance; recreational programs and facilities; and many other services for about $94.83 per month.

More information about the proposed 2022 city budget is available on the Woodbury website at woodburymn.gov/budget. The full budget document also can be reviewed at the Finance Division or at the R.H. Stafford Library, 8595 Central Park Place.

For more information, contact the Woodbury Finance Division at finance@woodburymn.gov or 651-714-3507.
At the end of July, in response to the severe drought conditions, the Minnesota Department of Natural Resources (DNR) issued temporary requirements on local water suppliers to reduce water use in their communities. Since lawn watering is by far our top water use in the summer months, we decided we could make the biggest impact quickly by elevating our regular time-of-day and odd/even lawn-watering restrictions to trash pick-up day and one weekend day. You responded. We estimate that we reduced water use by at least 120 million gallons between when the elevated restrictions were implemented at the end of July through first week of September (based on water usage leading up to the start of the elevated restrictions). I am so proud to be part of a community who rallies together and makes personal sacrifices for the greater community good – what an amazing accomplishment!

While the DNR has since relaxed its temporary requirements and we’ve returned to our regular lawn-watering restrictions, we may not be out of the woods yet. If drought conditions return next spring, we may have to bring back the elevated lawn-watering restrictions – or some form of them. And even if we don’t have to take that dramatic of a step, I encourage you to continue to use water efficiently. One thing you can do – if you have an irrigation system – is order a WaterSense certified lawn irrigation controller through the city’s discount program. Learn more about how it can reduce water use and save you money at woodburymn.gov/SmartIrrigation. If you already have one, tell your neighbors, friends and family about it!

**Water rates and usage tiers**

Speaking of saving money: I’ve recently heard some concerns from our water customers receiving higher than normal balances on their utility bills. Even with our elevated lawn-watering restrictions, our customers likely used more water on lawns and outdoor activities this summer due to the extreme drought conditions and may have reached a higher water rate usage tier. It may have been a while since many of you reached a higher usage tier in a billing cycle – 2016 and 2019 were two of the wettest years on record, and 2015 and 2017 also saw above average amounts of precipitation. When we have wet years like those, water use for lawn irrigation is greatly reduced and we don’t see the impact on our water bills. The most recent quarterly bill is likely reflective of the increased summer water usage through approximately mid-August (depending on when your water meter was read).

It’s also important to remember that the city has adjusted water rates and usage tiers multiple times over the years in response to changing conditions and growth in the city. The current tiered structure means the more water we use, the more we pay per 1,000 gallons used over specific thresholds (see adjacent chart). If you want to save money on your future water bills, keep these usage tiers in mind and look for ways to reduce your water use. Consider scaling back on lawn irrigation next summer. Remember: 1 inch of water per week, including rainfall, is all you need for a healthy lawn!

**Utility rate increases proposed for 2022**

As our water and sewer infrastructure ages, we are anticipating significant repairs will be needed in the future. Anticipating this need, beginning in 2018, we increased water rates for the first time in a decade and made some additional incremental increases since that time. To continue building this fund, a few additional utility rate increases also are proposed for 2022:

1. A $1 per quarter increase to the water administrative fixed fee for all water users (see chart).
2. A 10-cent per 1,000 gallons increase to the water rate for each of the five usage tiers (see table).
3. 3% increase per 1,000 gallons to irrigation rate for commercial properties and homeowners associations (to support the city’s water efficiency and incentive programs).
4. A $1.20 per quarter city sanitary sewer flat rate increase for residential accounts (a 45-cent increase for commercial accounts).

Funding water and sewer infrastructure through utility rate increases ensures all municipal utility customers contribute, including places of worship, schools and other non-taxable properties. The tiered rate structure for water also encourages responsible water use by property owners.

We’ve been responsible with managing our utility rates. Even with these proposed changes, our rates will keep us in the middle of the pack when stacked up against the rates of our comparable cities in the metro area. While it’s difficult to raise fees, even so slightly, sometimes it’s necessary to ensure we have the funds available to maintain our critical infrastructure now and into the future. If approved at the Dec. 8 City Council meeting, the new water and sewer rate changes would be effective in 2022.

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**Increased watering restrictions**

Reduced water use by at least 120 million gallons

**Tiered water rates encourage water efficiency**

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**Impact of changes to water rate and usage tiers**

Rates are calculated per one thousand gallons per quarter

| Tier 1 | Current: $1.60/1,000 gal from 1,000 to 25,000 gal/quarter | Proposed: $1.70/1,000 gal from 1,000 to 25,000 gal/quarter |
| Tier 2 | Current: $2.60/1,000 gal from 25,001 to 50,000 gal/quarter | Proposed: $2.70/1,000 gal from 25,001 to 50,000 gal/quarter |
| Tier 3 | Current: $3.60/1,000 gal from 50,001 to 75,000 gal/quarter | Proposed: $3.70/1,000 gal from 50,001 to 75,000 gal/quarter |
| Tier 4 | Current: $4.60/1,000 gal from 75,001 to 100,000 gal/quarter | Proposed: $4.70/1,000 gal from 75,001 to 100,000 gal/quarter |
| Tier 5 | Current: $5.60/1,000 gal - usage exceeding 100,000 gal/quarter | Proposed: $5.70/1,000 gal - usage exceeding 100,000 gal/quarter |

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**Utility bill comparison (per quarter)**

<table>
<thead>
<tr>
<th>Year</th>
<th>23,000 gallons</th>
<th>125,000 gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>Administrative Charge $6.00 $6.00</td>
<td>Water – Tier 1-5 Charges $36.80 $450.00</td>
</tr>
<tr>
<td></td>
<td>Sanitary Sewer $29.25 $29.25</td>
<td>Stormwater $20.50 $20.50</td>
</tr>
<tr>
<td></td>
<td>MCES Sewer Min* $25.18 $25.18</td>
<td>MCES Sewer – Tier 1 $20.10 $20.10</td>
</tr>
<tr>
<td></td>
<td>Total ** $137.83 $151.03</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>Administrative Charge $7.00 $7.00</td>
<td>Water – Tier 1-5 Charges $39.10 $462.50</td>
</tr>
<tr>
<td></td>
<td>Sanitary Sewer $30.45 $30.45</td>
<td>Stormwater $21.10 $21.10</td>
</tr>
<tr>
<td></td>
<td>MCES Sewer Min* $26.75 $26.75</td>
<td>MCES Sewer – Tier 1 $21.30 $21.30</td>
</tr>
<tr>
<td></td>
<td>Total ** $145.70 $158.90</td>
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</tbody>
</table>

* Street lighting charge and water testing fee collected by state are not reflected in the examples but are included on quarterly utility bills. These fees are proposed to remain the same for 2022. * MCES sewer charges are based on typical household winter average of 14,000 gallons of water use per quarter.
2022 budget highlights

City Administrator Clint Gridley says rising vendor costs, personnel costs and major infrastructure improvement projects are three of the primary factors shaping the proposed 2022 city budget. The city’s total budget is proposed to be $130.5 million for 2022, with the most significant changes in street reconstruction, parks and trails, and water and sewer projects.

Property tax levy changes

The proposed total property tax levy is the largest and perhaps most visible source of revenue for the city, providing 32 percent of its funding needs. If approved, city taxes on the median value home of $351,100 are estimated to increase by 2.7 percent or $30. The monthly cost of property tax funded city services to a median value home for 2022 is proposed to be $94.83.

The availability and quality of basic public services are important determinants of a community's quality of life. Historically, Woodbury has taken a lean overall staffing approach, with significant reliance on third parties to support many areas of operation. In 2022, the proposed increase in employees is needed to support community growth and maintain existing service levels. New positions include a police officer, information technology systems administrator and public service worker, among others. Additional proposed personnel changes support the construction of the Metro Gold Line bus rapid transit project, the drinking water treatment plant project, and community engagement and equity efforts.

The 2022 budget will continue to provide the annual support increase for street reconstruction activities, just as the annual budget has the last 15 years. Parks and trails improvements, stormwater, and water and sewer projects all also provide for proposed increases, primarily to cover the city’s share of the proposed Royal Oaks Roadway Rehabilitation Project, which will include significant improvements to the aging water and sewer infrastructure under the roadway.

A greater concern this fiscal year than past budgets is general inflation – the price increases of supplies and materials, along with rising labor costs impacting product prices as demand for several goods rebound with the reopening of the economy. Information technology system costs, in particular, is experiencing continued cost growth as more electronic systems are adopted and implemented during the pandemic and into the future.

The 2022 budget also proposes shifting the EMS staffing structure to further integrate the Fire and EMS Divisions through paramedic and firefighter cross training.

User fee rates

As part of the 2022 budget process, annual rate adjustments are considered to appropriately maintain funding levels for city services such as drinking water treatment plant projects, parks and trails, stormwater utilities, and street reconstruction.

The residential minimum sanitary sewer charge passed along from Metropolitan Council Environmental Services (MCES) will increase by $1.57 per quarter in 2022 (and by an additional 20 cents per 1,000 gallons over 8,000 gallons), reflecting Woodbury’s increased use of the regional sanitary sewer system and MCES rate increases.

Irrigation rates also are proposed to increase 32 cents per 1,000 gallons. From 2017 through 2021, incremental irrigation rate increases were implemented to support the city’s water efficiency and incentive programs. This rate increase is a proposed continuation of those efforts.

The quarterly stormwater utility charges also are proposed to increase 60 cents per quarter to support the funding of stormwater pond maintenance programs and replacement of stormwater infrastructure.

In addition, a 4% rate increase is proposed for EMS. Personnel costs, operational cost impacts due to the Coronavirus pandemic, and mandatory discounts from Medicare and Medicaid insurance programs factor into the proposed rate increase.

There are no changes proposed for street lighting utility rates.

Franchise fee

Beginning in January 2022, the City of Woodbury also will collect a franchise fee on gas and electric utilities to help fund future parks and trail facility replacements. The impact to Woodbury property owners will be $5 per month (total for gas and electric) for most residential properties. The franchise fee for larger commercial properties will be more, with many variables influencing the final estimate for non-residential properties. Utility franchise fees are commonly found across Minnesota and the country as a way to fund city operations and capital projects. Under Minnesota Statute (216B.36), cities can impose a fee on utility companies that use the public rights-of-way to deliver service. These utilities then pass on these charges to utility customers on monthly bills. As fees are collected through monthly customer bills, utilities then return the fees collected back to the city.

HRA levy

The city’s Housing and Redevelopment Authority (HRA) is proposing no change to the levy to fund several loan programs for current and prospective homeowners in Woodbury who meet the income guidelines. This is separate from the city’s tax levy and is included on the truth-in-taxation notice in the listing for special taxing districts. The proposed levy totals $250,000, the same as for 2021; the tax impact is an estimated $7 for the median value home and is included in the estimated tax table on page 1. The tax levy for the HRA has not changed since 2011.

Residential Property Tax Distribution

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Residential Property Tax Distribution

<table>
<thead>
<tr>
<th>Special Districts: 3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Woodbury: 25%</td>
</tr>
<tr>
<td>School District 833: 51%</td>
</tr>
<tr>
<td>Washington County: 21%</td>
</tr>
</tbody>
</table>

Monthly Cost To Residents

<table>
<thead>
<tr>
<th>Monthly Cost To Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police protection</td>
</tr>
<tr>
<td>Fire and EMS</td>
</tr>
<tr>
<td>Public Works operations and street reconstruction</td>
</tr>
<tr>
<td>Parks, trails, recreation</td>
</tr>
<tr>
<td>Debt service</td>
</tr>
<tr>
<td>Administrative services</td>
</tr>
<tr>
<td>Housing and redevelopment</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

Monthly price is the 2022 projected cost for a home with an estimated market value of $351,100 for taxes payable in 2022.

Note: Fees collected for inspections, planning and engineering services cover operating expenditures, resulting in no impact to the tax levy.
Strong financial standing

The city strives to maintain a sound financial standing through its prudent fiscal management and reporting. As a result, Woodbury holds the AAA bond rating from Standard & Poor’s, the highest available rating. This allows the city to borrow money at the lowest rates, saving taxpayers tens of thousands of dollars. Woodbury is one of only 27 Minnesota cities that have earned the top rating from Standard & Poor’s.

Winter parking

Woodbury’s winter parking restrictions are now in effect. City ordinance prohibits on-street parking:

- Between 2 a.m. and 6 a.m. from Nov. 1 through April 1 or
- Any time 2 or more inches of snow has accumulated

In addition, city ordinance requires vehicles parked in driveways to not extend beyond the driveway into the street or to obstruct a trail or sidewalk. This helps the plow operators do the most thorough job possible.

Residents and businesses who do not comply with the winter parking regulations may be cited for violating city code and fined.

The ordinance applies only to public streets, not to private roadways. Contact the Public Works Department, publicworks@woodburymn.gov, or 651-714-3720 with questions.

Family-friendly ways to celebrate the New Year

Jump, play and dance into 2022 with, not one, but two celebrations on Friday, Dec. 31, at HealthEast Sports Center!

New this year is the New Year’s Eve Matinee, an afternoon event for children ages 3-7 from 2-4 p.m. Activities include large inflatables, crafts, photo booth, Bingo, obstacle courses and more. A ticket must be purchased for all children ages 2 and older.

Later, the New Year’s Eve Family Celebration kicks off at 6 p.m. This annual night of epic fun will feature giant moonwalks, obstacle courses, photo booth, ice skating, music and more! Door prize drawings will take place at 8:30 p.m. before a special countdown to 2022. Recommended for families with children under 12 years old. A ticket must be purchased for all children and adults ages 3 and older.

Early registration is strongly suggested; these events typically sell out. The cost for each event is $10 per ticket if pre-registered or $12 at the door, if available. Updates on ticket availability, including at the door, will be posted on the city’s website and facebook.com/WoodburyParkRec.

HealthEast Sports Center is located at 4125 Radio Drive. For more information or to register, visit WoodburyRecreation.com or call 651-714-3583.