



2023 Preliminary Budget and Tax Levy

2023 Preliminary Budget

Significant Revenue Changes

- Unavoidable decrease in building permit revenue (School district permits complete).
- Interest revenue is not budgeted, uncertainty in market.
- Transfer from Construction Fund to reduce support of Engineering operations per Council direction.
- Unavoidable reduction of City's Fiscal Disparities contribution to the pool by 2.7% and the distribution by 7.6%.
- Unavoidable decrease of approx. \$506,350 in Local Government Aid (LGA).
 - Council should plan for annual decreases of approx. \$250,000 in the next few years until the amount received is \$0.



2023 Preliminary Budget

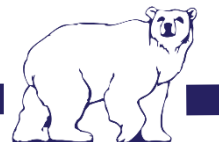
Significant Expenditure Changes

- Salary adjustments per the Pay Plan
- Increase in health insurance benefits
- Addition of two full-time firefighters/paramedics
- Unavoidable increase in utilities and fuel costs
- Removal of two positions previously funded (Finance and Engineering)
- Replacement of playground sand in three parks (Podvin, Ramaley, Spruce)
- Improved mental health services for public safety employees
- Electronic plan review software for Building Department
- Increase in miscellaneous technology costs and contract cleaning services



2023 Capital Improvement Plan

- No impact on tax levy.
- 2023 purchases:
 - Fleet / replacements for Police, Parks and Building departments
 - Police squad equipment and body-worn cameras
 - Routine technology upgrades / replacements
 - Fire rescue boat



Preliminary Tax Levy

- Using Unrestricted Surplus in General Fund Balance to offset tax levy increase.
- Will maintain fund balance between 35-50% as recommended by Office of the State Auditor and City Council Policy.
- Tax capacity rate of 24.448%.

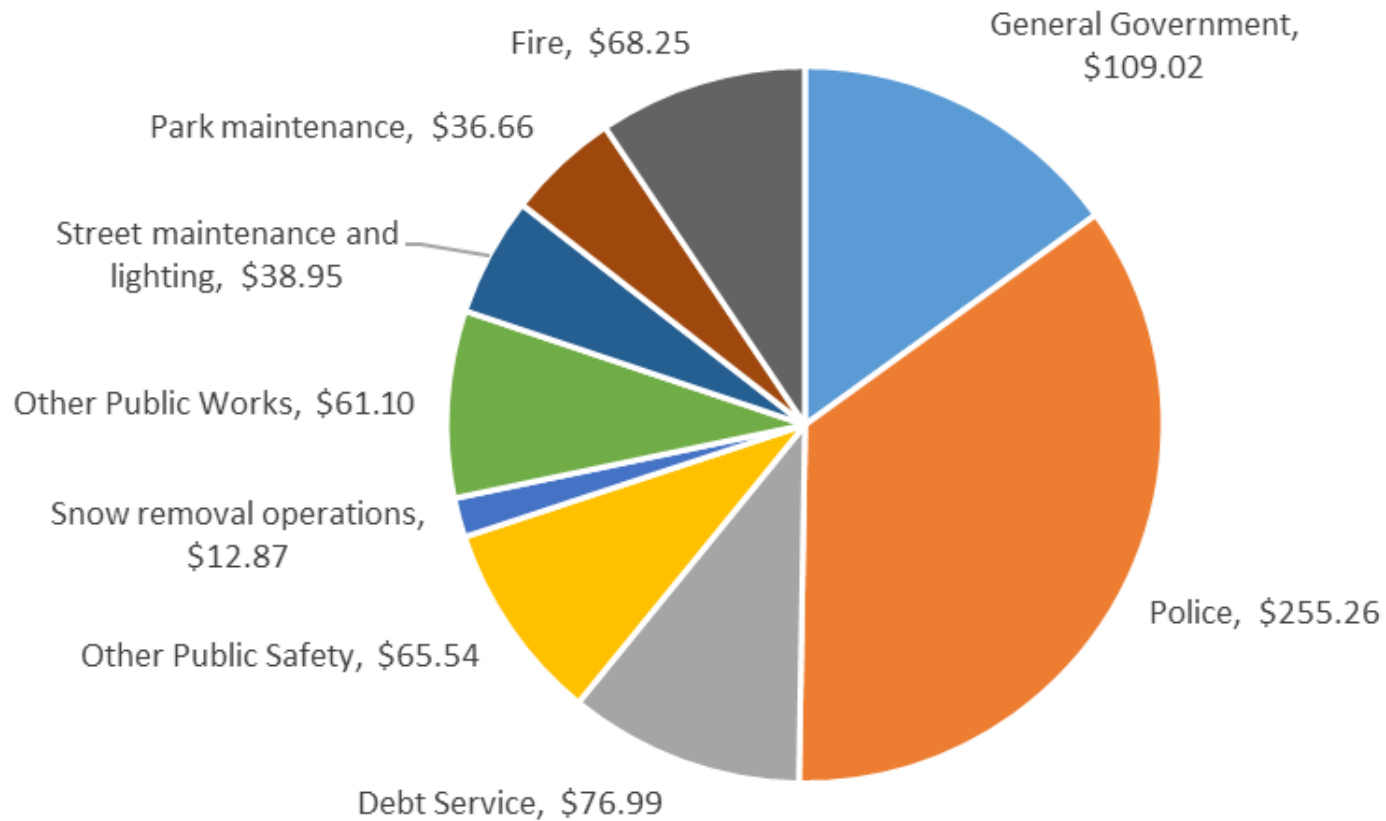
General Fund Operations	\$1,008,000	12.48%
Street Improvement Project Debt Service	\$198,000	2.45%
Public Safety Facility Project Debt Service	\$669,000	8.28%
TOTAL LEVY INCREASE	\$1,875,000	23.21%



Where do your annual City property taxes go?

Median Value Home \$306,100

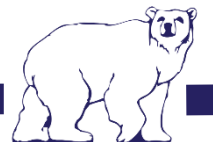
Annual City Taxes \$724.64



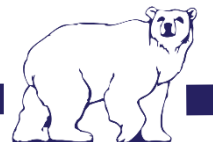
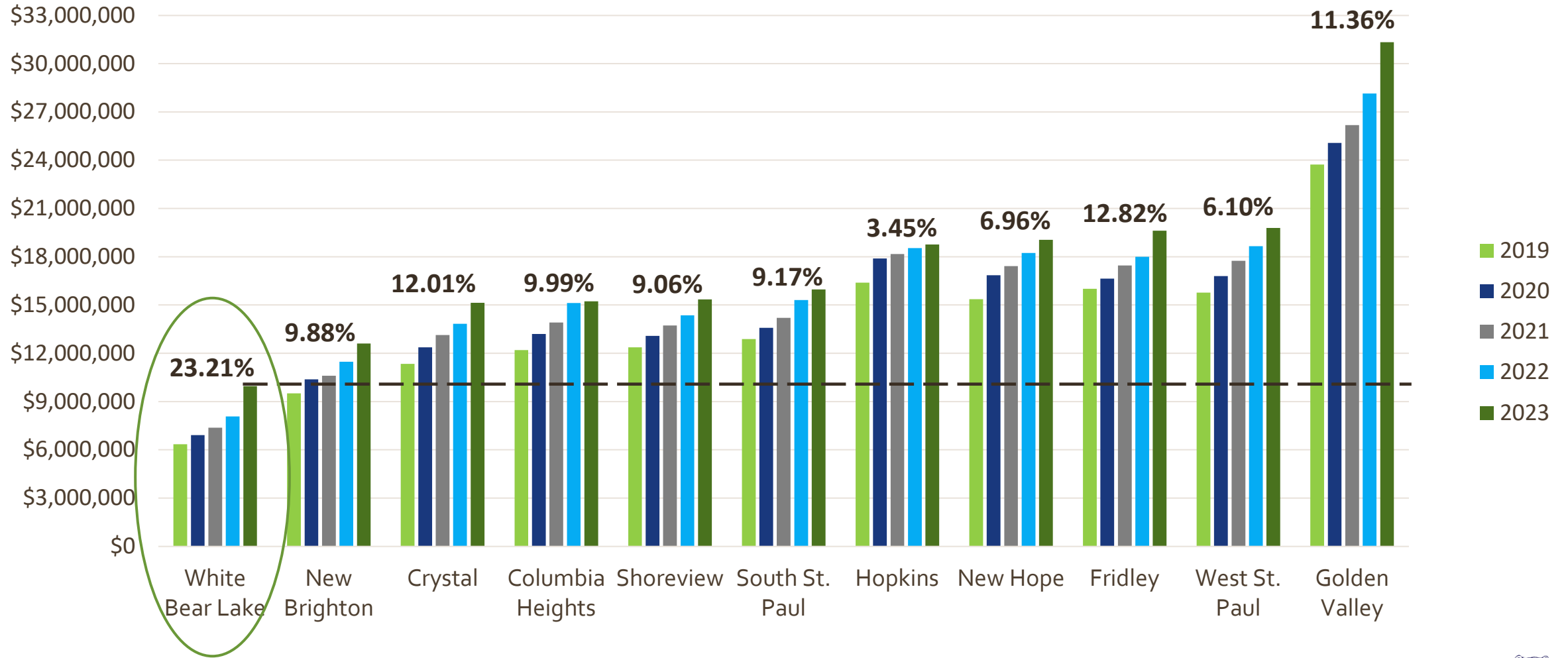
Revenue Collection Comparisons

City	2021 Population Estimates	2023 Proposed Preliminary General Levy*	2023 LGA	2021 Franchise Taxes	Total	Per Capita
Golden Valley	22,334	\$ 31,338,311	\$ -	\$ 2,250,959	\$ 33,589,270	\$ 1,504
West St. Paul	20,882	19,795,031	1,468,972	3,279,725	24,543,728	1,175
Hopkins	18,926	18,766,224	925,794	1,183,050	20,875,068	1,103
South St. Paul	20,745	15,961,003	2,854,979	1,343,648	20,159,630	972
New Hope	21,870	19,053,316	867,286	962,395	20,882,997	955
Columbia Heights	21,859	15,226,920	1,972,108	170,540	17,369,568	795
Fridley	29,536	19,620,870	1,871,738	260,474	21,753,082	736
Crystal	23,083	15,142,880	1,046,814	-	16,189,694	701
Shoreview	26,967	15,351,627	-	1,603,203	16,954,830	629
New Brighton	23,705	12,609,500	441,769	1,216,360	14,267,629	602
White Bear Lake	24,671	9,955,368	827,265	307,570	11,090,203	450

*These preliminary levies have not yet been formally adopted and are subject to change.



Tax Levy Comparisons



Recommendations

Staff recommends the City Council adopt the attached resolution approving the preliminary tax levy, as presented.

- The 2023 preliminary tax levy must be set no later than the September 27th Council meeting.
- The Council will hold the required truth-in-taxation (TNT) hearing and adopt the 2023 final tax levy and budget at the December 13th Council meeting.
- If the Council adopts the preliminary tax levy of \$9,955,000, the Council may reduce the levy before final adoption in December, but may not increase it.

