

NEW BUSINESS

- A. Certification of the preliminary 2023 General Fund budget and property tax levy and setting of public meeting date on which the budget and levy will be discussed.**

Actions to be Considered:

- To approve the preliminary payable 2023 property tax levy as follows:

Operating	\$ 38,662,600
Capital	4,945,740
Abatement	16,500
Debt service	<u>2,037,798</u>
Total levy	\$ 45,662,638
- To approve the preliminary 2023 General Fund budget, including contingency, of \$48,321,800.
- To set the date for the public hearing of the Payable 2023 levy and budget as Tuesday, December 6.
- To make the following announcement (required by State):
 - “The next regularly scheduled meeting at which the levy and budget will be discussed is the City Council meeting of Tuesday, December 6 at 6:30 p.m., here in the Council Chambers. The public will be allowed to speak at this meeting.”

Facts:

- The City Council is required by law to certify the proposed payable 2023 budget and property tax levy on or before September 30. The levy can be subsequently decreased, but not increased.
- The Council is also required to announce the date and time of the next regularly scheduled meeting at which the budget and levy will be discussed, and that the public will be allowed to speak at the meeting.
- The Council reviewed the 2023 General Fund budgets at the August 8 Council workshop.

- The following modifications were made to adjust the Debt service levy and the General Fund Budget and related Tax Levy since the August workshop with essentially no overall impact to the proposed tax levy increase:
 - Increase to the required 2018A debt service tax levy of \$71,006 and a corresponding decrease existing contingency expense in the General Fund by \$71,000 due to the wrong debt levy presented in the August workshop materials.
- The 2022 General Fund budget of \$48,321,800 represents a 4.2% or a \$1,961,700 increase over 2022.
- The tax levy is proposed to increase 6.0% over 2022.
- The \$1,313 tax on the average value home of \$393,843 for taxes Payable 2023 represents an increase of \$87, or 7.1% over the 2022 City taxes on a \$345,478 (Payable 2022 average value) home of \$1,226.
- It should be noted that while the average home value increased 14.1%, the overall increase in existing residential property tax is expected to go up 7.1%, so percentage increases will vary from property to property.
- The City's tax capacity rate is estimated to decrease from 36.119% to 33.455%, the result of a 6.0% increase in the tax capacity-based net local levy offset by a 15.3% increase in local tax capacity due to higher assessed property values.
- The City always attempts to ensure its Truth-in-Taxation hearing does not conflict with the County's hearing. Unfortunately, the County has not established its hearing date as of this writing. If the County establishes its date over the next two weeks, and it turns out be the same date as the City's hearing, the Council could act on September 20 to reschedule the Truth-in-Taxation hearing.
- The County has again advised the City of the option to include an insert with the TnT notices. The City historically has not prepared an insert and none is contemplated for this year unless otherwise directed by the City Council.

Attachments: (1)

NBA-1 2023 General Fund Expenditures Summary