



2023 PROPOSED BUDGET

December 13, 2022

2023 BUDGET CALENDAR



- January 12-14, 2022: Goal Setting, Financial Management and Planning
- February 8, 2022: Public Hearing/Provide Residents with an opportunity to have input in the 2023 Budget process.
- March 22, 2022: Council work session to review proposed infrastructure improvement schedule and resulting 2023 Debt levy requirements
- April - May: Staff Meetings with Department Heads – Discussion on 2023 Operating Budget and Capital Budgets
- July 12, 2022: Public hearing to review and approve 2023 Debt Levy and future Road improvement schedule

2023 BUDGET CALENDAR



- August 8, 2022: Council work session to review updated proposals for 2023 overall Property Tax Levy and General Fund Budget
- August 23, 2022: Presentation of Proposed 2023 Budget & Property Tax Levy to the City Council
- September 13, 2022: Public Hearing to pass resolution setting the Preliminary 2023 Budget and Property Tax Levy
- December 13, 2022: Public Hearing for Presentation of 2023 Operating Budget and Levy with Public Input. Adoption of the 2023 Operating Budget and Property Tax

2023 BUDGET PARAMETERS



- City revenues budgeted using current run rates for sources that are subject to trends and conservative baseline estimates for re-occurring aids and charges for services
- Expenses budgeted at amounts that will maintain present level of City services
- Liquor transfers are based on liquor operating results

PATH TO THE 2023 TAX LEVY



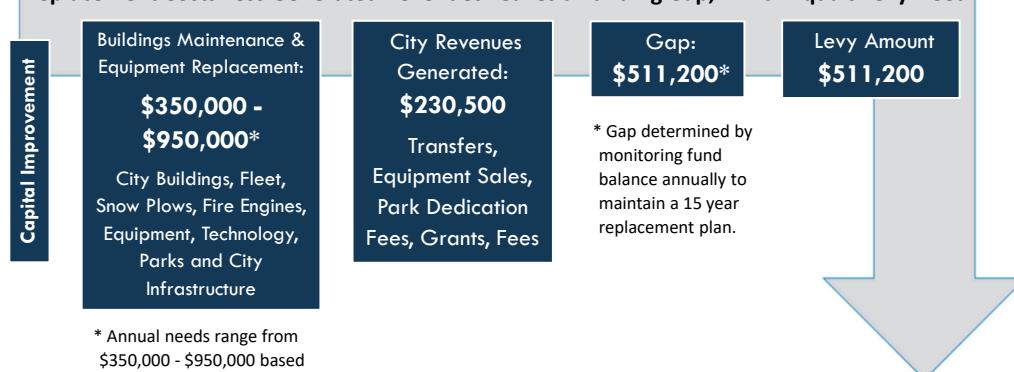
Cost of Services Less Operational Revenues Leaves a Funding Gap, Which Equals Levy Need



PATH TO THE 2023 TAX LEVY



Replacement Costs Less Generated Revenues Leaves a Funding Gap, Which Equals Levy Need

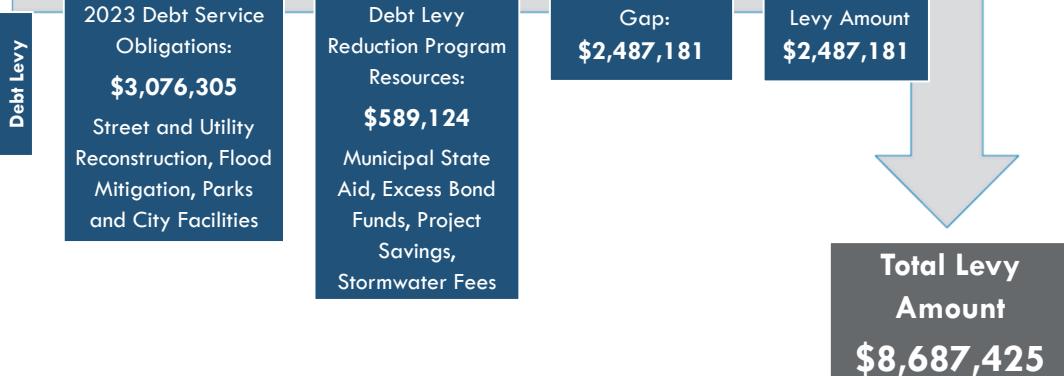


* Annual needs range from \$350,000 - \$950,000 based on timing of replacement.

PATH TO THE 2023 TAX LEVY



Debt Payments Less Debt Reduction Resources Leaves a Funding Gap, Which Equals Levy Need

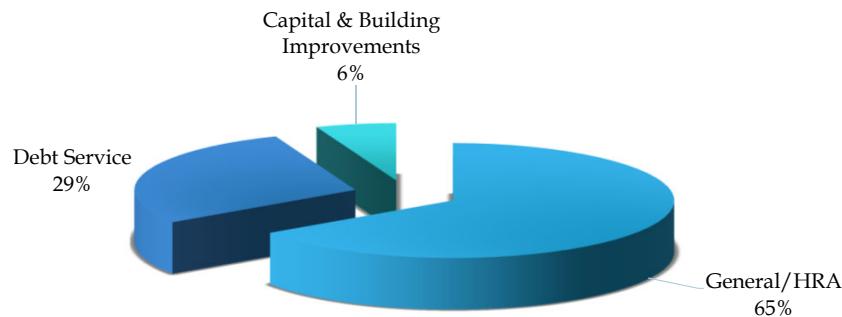


GENERAL FUND AND LEVY

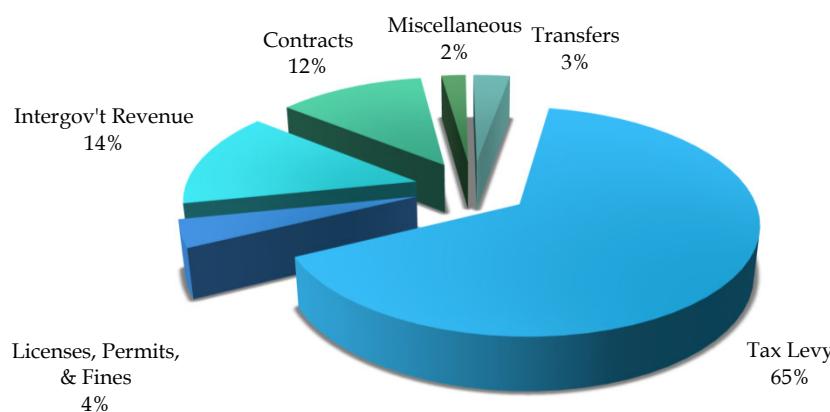


	2022	2023	Increase
General/HRA	\$5,289,711	\$5,689,044	\$399,333
Debt Service	\$2,487,181	\$2,487,181	\$0
Capital/Building/Infrastructure Improvements	\$466,200	\$511,200	\$45,000
Overall Levy	\$8,243,092	\$8,687,425	\$444,333
Total Percent Change			5.39%

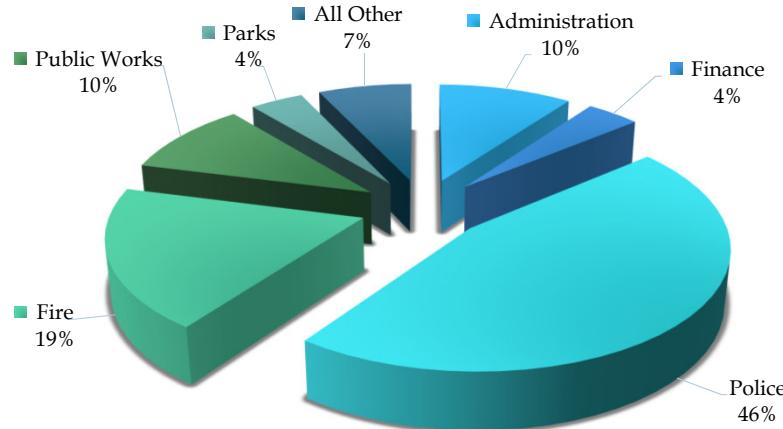
OVERALL LEVY BY FUND TYPE



2023 GENERAL FUND REVENUES



2023 GENERAL FUND EXPENDITURES



2023 BUDGET - COST DRIVERS



- Personnel costs: 70.9% of expenditures, overall costs up \$615,423 or 10.98%
 - The 2023 base wage increases reflect the Union contracts settlements, at a cost of \$177,719 or 3.5%. Union's scale steps and longevity steps are also factored into costs.
 - Wages and benefits of \$305,294 as placeholders for: two additional fulltime fire fighters, adding a Paramedic wage rate to Fire Union contract, training period wages for two new police officers, employee retention allowance.
 - Contracted communications services replaced with part-time staff - \$37,211 shift in budget categories, part-time Finance position went to full-time due to need and succession planning- \$28,500
 - 10.85% Health Insurance premium increase shared 50% Employee/Employer cost \$66,699

2023 BUDGET - COST DRIVERS



- Contracted services: 10.3% of expenditures, overall costs up \$15,913
 - Construction inspections costs mirror the increasing permit activity producing a increase in expense of \$40,006. This increase has no impact on the levy as the inspection fee is a percentage of permit revenue received
 - Assessor, Attorney, Auditor, Engineer and Planner services reflect anticipated rate increases. The net result is cost impact of \$9,226
 - Contracted Information Technology costs up \$30,110
 - Miscellaneous service contracts are estimated to *decrease by \$63,423* due to moving communications position in house and taking on the maintenance duties for Salo park

2023 BUDGET - COST DRIVERS



Other Insurance costs – 4.3% of expenditures, overall costs up by \$25,077

- Workman's Compensation experience rating improved 8% providing a cost savings of approximately \$27,200
- This was offset an increase in police coverage rates creating an additional cost of \$58,900. Police rates are increasing due to the rising number of PTSD claims
- Combined these factors account for the \$32,672 increase in worker's compensation premiums. This equates to a 17.4% increase
- Liability, Property and Casualty premiums are projected decline by \$6,595 in 2023

2023 BUDGET - COST DRIVERS



- Pass through costs: 2.3% of expenditures, costs up \$18,572
- Remaining budget line items combined total \$1,067,109 or 12.2% of expenditures, costs up \$85,835
 - Higher energy costs make up \$41,687 of this increase
 - 2023 budgeted expenses anticipates inflationary factors of 5% to 6% applied to many of the supplies and services purchases
 - Costs include repairs and maintenance, utilities, fuels, training, supplies, communications, sustainability programming, road maintenance, printing and publications etc.

2023 BUDGET - OTHER FACTORS



- Police contracted services has increased by \$58,027
- Excess Tax Increment collections are projected to increase by \$104,780 in 2023, more than originally anticipated
- Liquor transfer to the General Fund will increase from \$250,000 to \$275,000 in 2023
- 2023 State funded Local Government Aid reflects a increase of \$12,321, less than originally anticipated
- Federal Grants reflects \$172,039 of potential SAFER grant proceeds to be used for hiring two additional firefighters

PROPERTY TAXES 2023



Category	Amount
County	\$1,372.71
City	\$2,430.96
School	\$1,939.27
Other Districts	401.38
Total	\$6,144.32

- Median Single Family Home Value of \$396,000, 8.2% increase over 2022

2023 PROPERTY TAX DISTRIBUTION



32%



7%



Parks
HRA
Rail
Museum



22%



RAMSEY COUNTY



39%



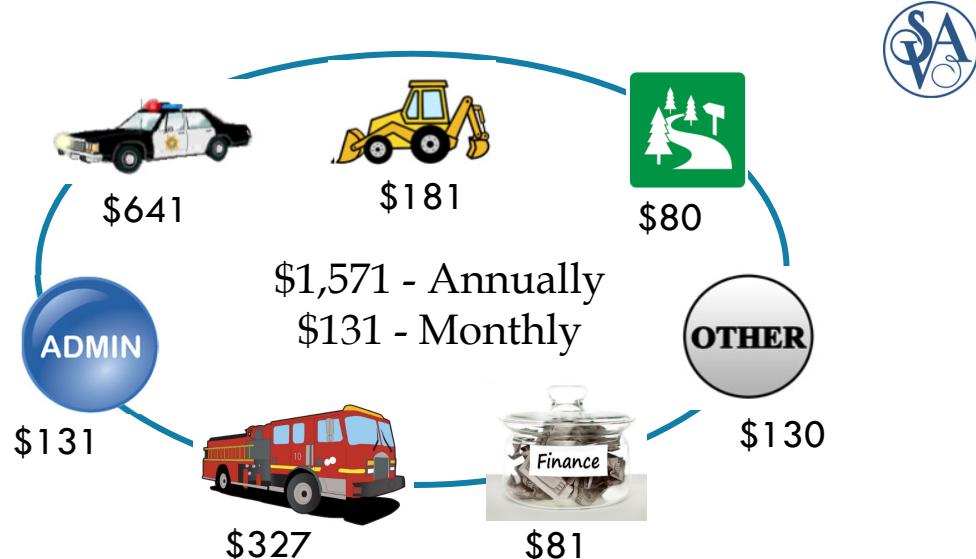
DISTRIBUTION OF CITY TAXES



Category	Amount
General Fund Levy	\$1,571.21
Roads	\$570.35
Public Facilities	\$92.99
Capital Improvements	\$146.58
Tax Abatement	\$49.83
Total	\$2,430.96

- Median Single Family Home Value \$396,000, 8.2% increase over 2022

GENERAL FUND SUPPORTS CITY SERVICES



ISSUANCE OF 2022A G.O. BONDS



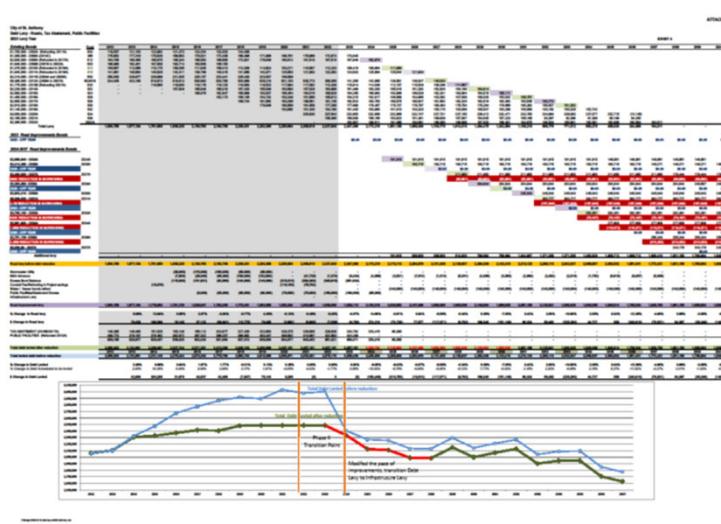
- 2022A General Obligation Bonds - \$2,385,000
 - Street Reconstruction and Utilities replacement
 - Rankin Road - from 31st Avenue to 33rd Avenue
 - Mill and Overlays
 - East Gate Road - from Rankin Road to Crestview Drive
 - Crestview Drive - from 29th Avenue to 31st Avenue
 - Bell Lane - from Amour Terrace to Crestview Drive
 - Amour Terrace - from Silver Lake Road to Crestview Drive
 - Alleys - In the area of 29th Ave, Roosevelt and Murray Avenues
- In 2023 the median value home's property taxes are \$59.43 monthly for road, utility, parks and facility improvements

IMPACT OF DEBT LEVY RELIEF



Debt Levy will remain at \$2,487,181 for levy year 2023

This program has served to lower annual levy impact of street reconstruction by \$3,166,000 over the last 9 years



SUMMARY OF 2023 BUDGET



- General Fund operating budget totals \$8,774,588 supported by a property tax levy of \$5,479,630
- Personnel costs represent 70.9% of General Fund expenditures:
 - Base costs up \$177,719 or 3.5%
 - Wages and benefits of \$305,294 placeholders or enhancements for Public Safety operations and employee retention
 - Health insurance costs up \$66,699
- Other Insurance expenditures up \$25,077
- Contracted services up \$15,914
- Capital Funds levies increased by \$45,000
- Increase in all levies totals **\$444,333** or **5.39%**



QUESTIONS?

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