

Proposed 2023 Budget and Property Tax Levy

September 20, 2022



Overview

- Budget Calendar
- Proposed 2023 Budget
- Proposed 2023 Property Tax Levy
- Recommendations

Proposed 2023 Budget Calendar

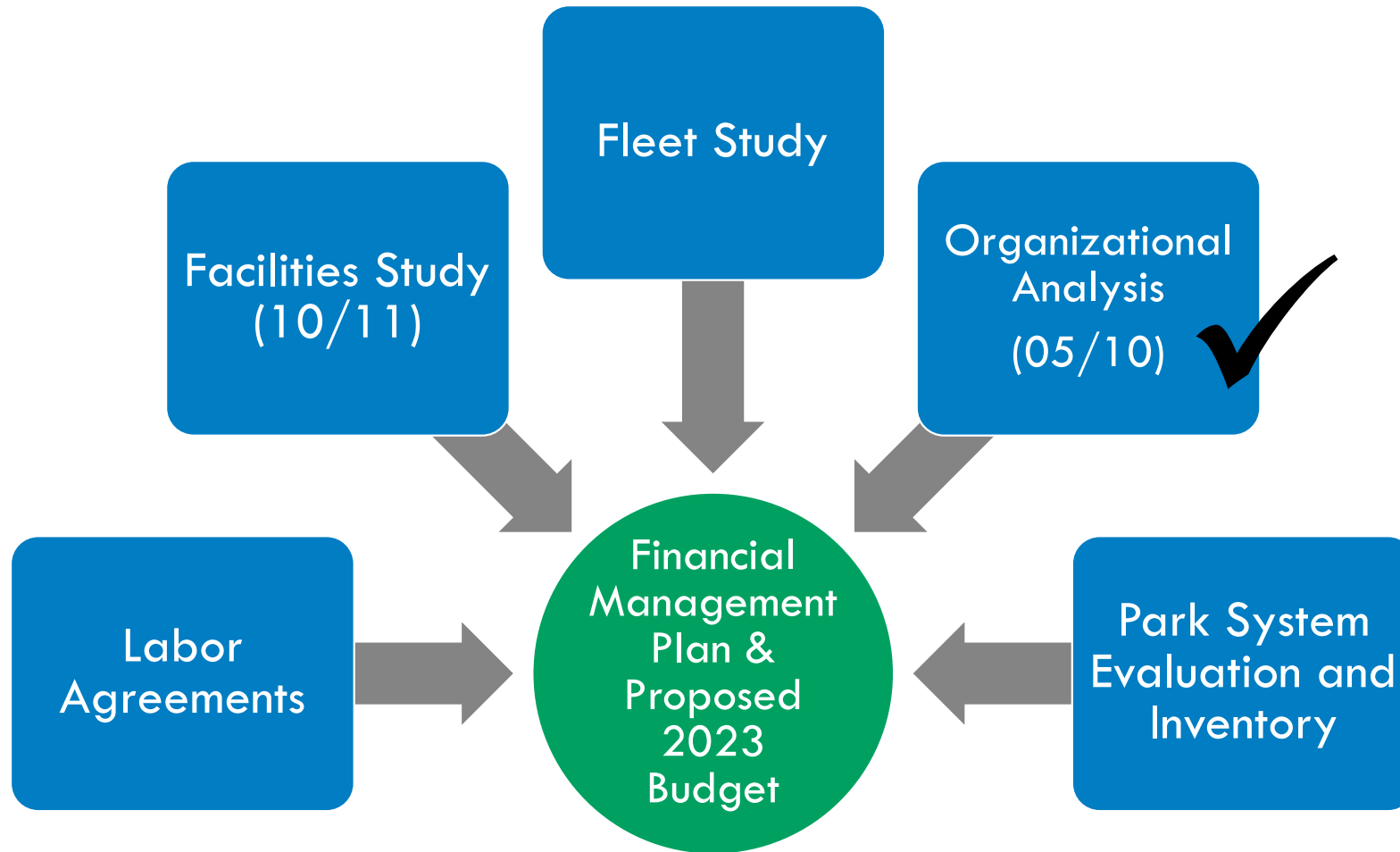
| Date(s) | Discussion Topics | |
|--------------|--|---------------|
| January 24 | All-Day Work Session | |
| February 15 | “One-Time” Funding Sources, Budget Calendar | Plan |
| March 8 | Review Financial Management Plan | |
| April 5 | “Outlook and Objectives” Review | |
| June 21 | Review Annual Comprehensive Financial Statements | |
| July 19 | Discuss Proposed 2023-2027 Capital Improvement Plan | Review |
| July 25–29 | Department Meetings with the City Manager | |
| August 23 | Discuss Proposed 2023 Budget and Property Tax Levy | |
| September 13 | Discuss Proposed 2023 Budget (if needed) | |
| September 20 | Adopt Proposed City & EDA Property Tax Levy/Budget | |
| November 7 | Discuss Proposed 2023 Budget (if needed) | Decide |
| November 29 | Discuss Proposed 2023 Budget (if needed) | |
| December 6 | TNT Hearing, Adopt City & EDA Property Tax Levy/Budget | |



Summary

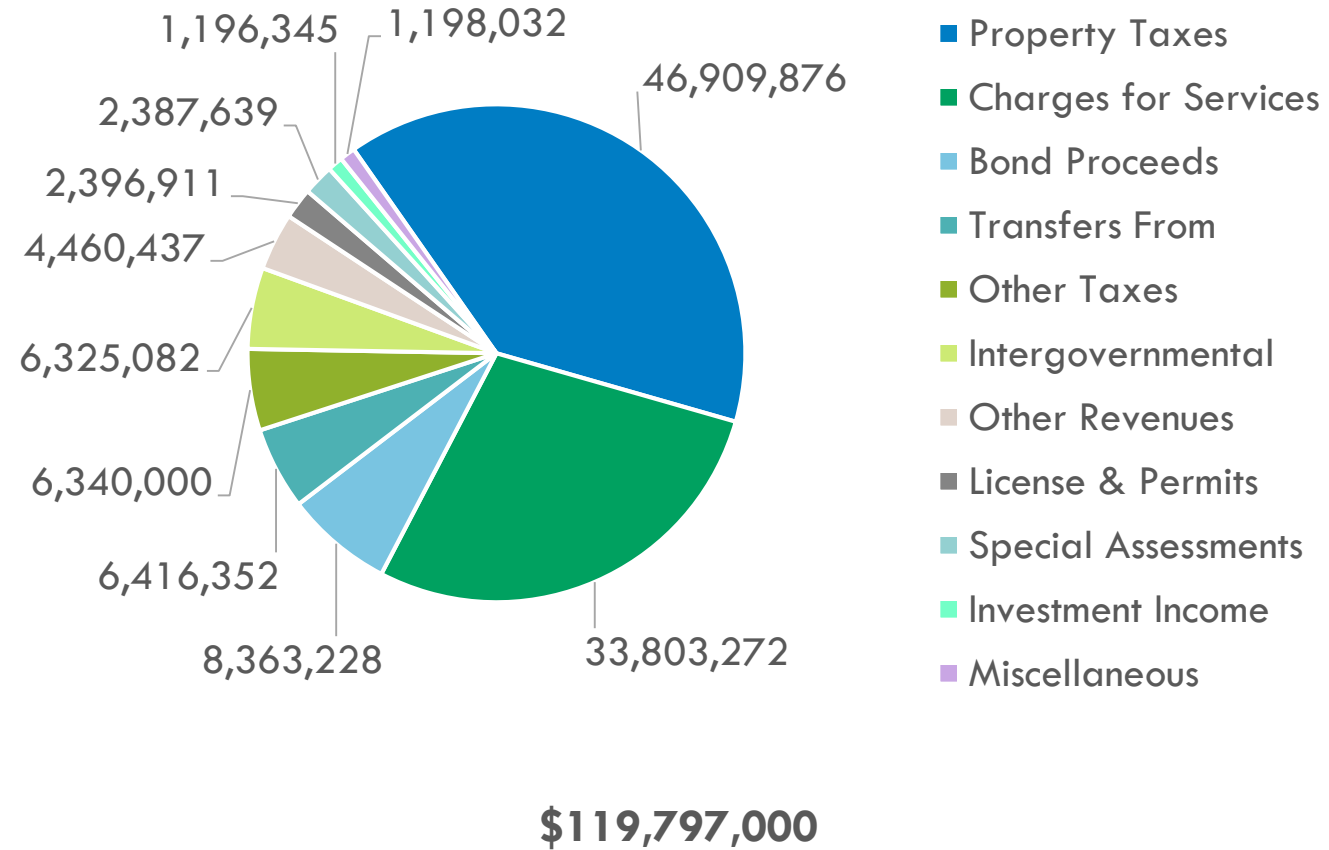
Proposed 2023 Budget

Pending Data and Studies (Selected)



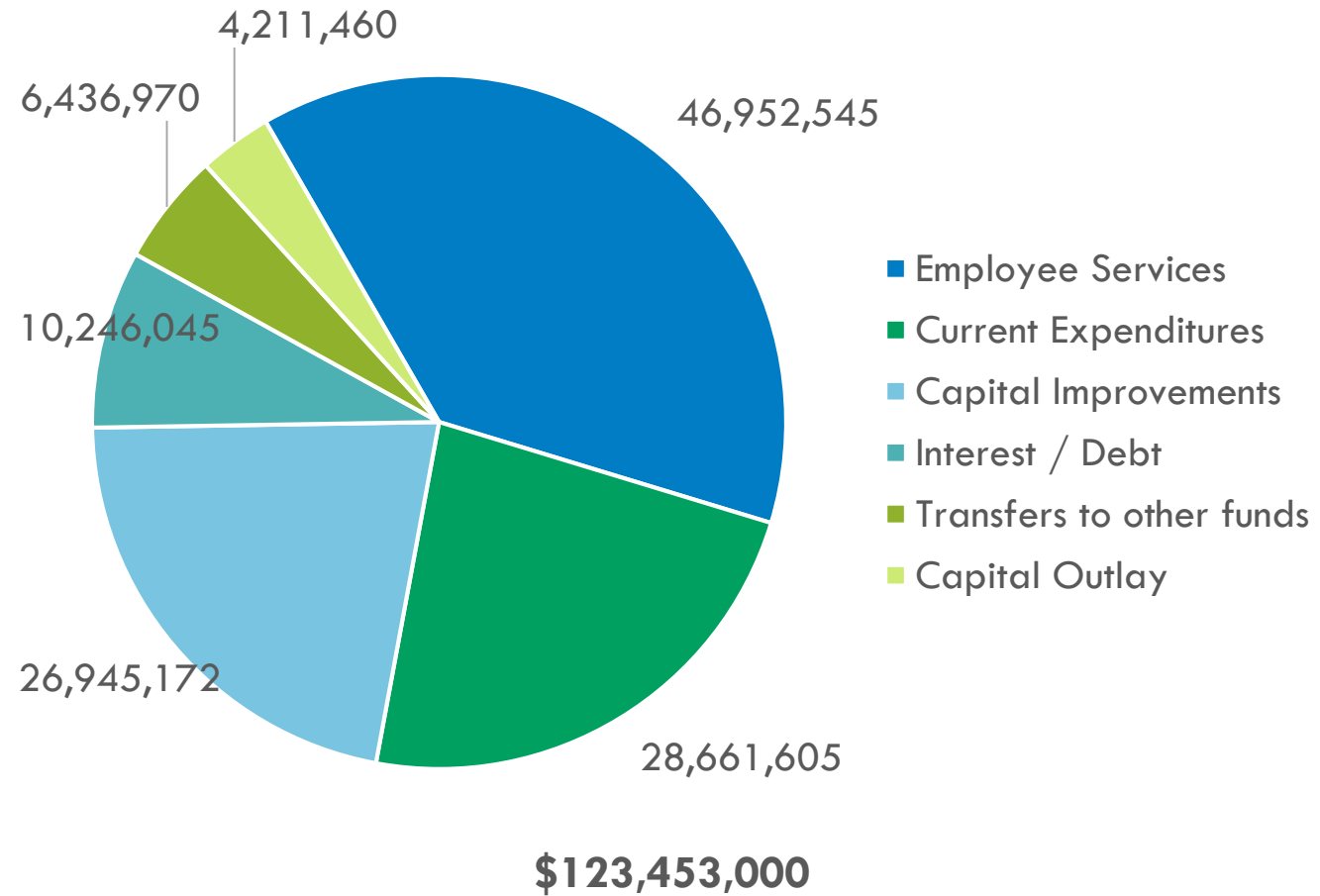
Proposed 2023 Budget, All Funds

Revenues and Funding Sources



Proposed 2023 Budget, All Funds

Expenditures and Uses



Proposed 2023 Budget, Organizational Analysis

| Proposed Full-Time Equivalents (FTEs), Proposed 2023 Budget | | | |
|---|--------------|-----------|--------------|
| Departments | Current | Proposed | Total |
| City Manager's/City Clerk's Office | 5.5 | 2 | 7.5 |
| Comm. and Community Engagement | 11 | 0 | 11 |
| Community Development | 20 | 0 | 20 |
| Finance | 9 | 1 | 10 |
| Fire | 45 | 3 | 48 |
| Human Resources | 5 | 2 | 7 |
| Information Technology | 9 | 1 | 10 |
| Police | 91 | 8 | 99 |
| Public Works | 73 | 2 | 75 |
| Parks, Recreation and Facilities | 20 | 0 | 20 |
| Total | 288.5 | 19 | 307.5 |



Proposed 2023 Property Tax Levy

Proposed 2023 Budget

Property Tax Levy Alternatives

Organizational
Analysis
Implementation

Alternative
No. 1



Levy Increase
Reduction

Alternative
No. 2



CIP
Enhancement

Alternative
No. 3



Each alternative only adjusts property tax revenue projections – proposed expenditures do not change

Property Tax Levy Analysis

- At the August 23 and September 13 work sessions, the City Council guided staff to:
 - Prepare Alternative No. 2 for certification
 - Include a non-binding commitment to forecasted property tax levy adjustments

| Meeting | 2023P | 2024P | 2025P | 2026P | 2027P |
|---------------|-------|-------|-------|-------|-------|
| FMP Review | 10.9% | 10.5% | 13.6% | 3.8% | 2.2% |
| FMP Update | 10.0% | 10.1% | 11.7% | 3.8% | 2.2% |
| CIP Review | 8.9% | 10.9% | 12.9% | 7.6% | 3.3% |
| Budget Review | 14.5% | 7.6% | 7.1% | 7.4% | 7.7% |

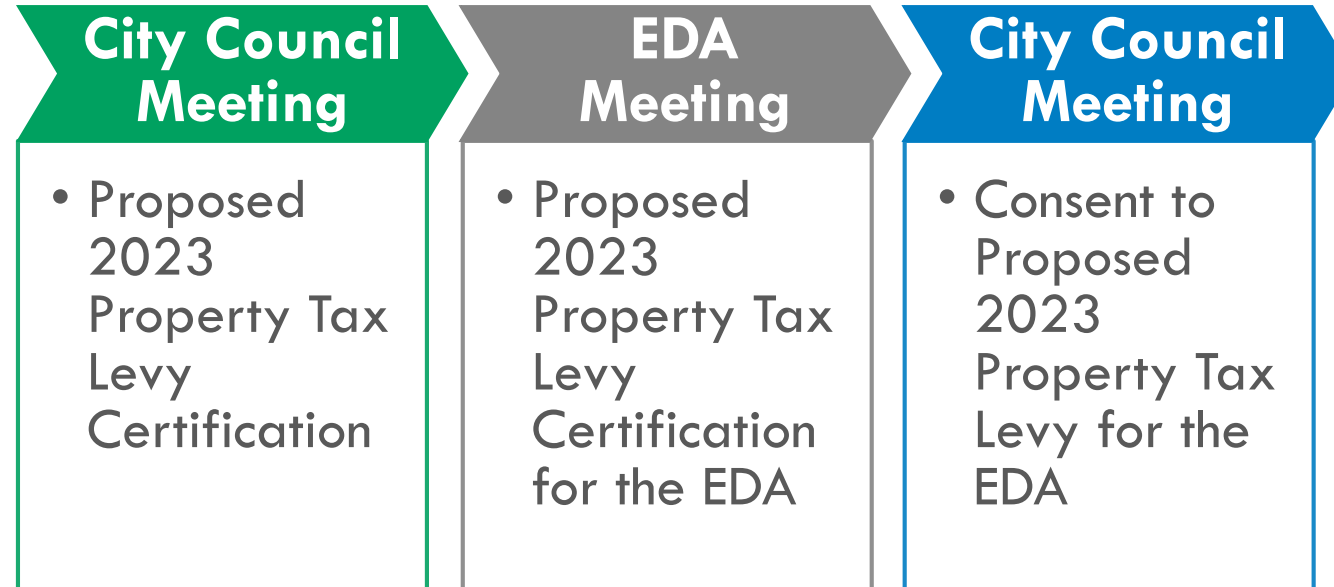
Proposed 2023 Property Tax Levy, Detail

| Fund | Final 2022 | Proposed 2023 | Change (\$) | Change (%) (previous year) | Change (%) (of Total Levy) |
|------------------------------|-------------------|-------------------|------------------|----------------------------|----------------------------|
| General Fund | 30,979,156 | 37,500,000 | 6,520,844 | 21.05% | 15.82% |
| Debt Service | 2,638,745 | 3,127,431 | 488,696 | 18.52% | 1.19% |
| Infrastructure Trust | 3,246,354 | 2,343,745 | (902,609) | -27.80% | -2.19% |
| Forestry | 250,000 | 257,500 | 7,500 | 3.00% | 0.02% |
| Facilities Capital | - | - | - | 0.00% | 0.00% |
| Equipment & Vehicle Capital | 1,992,000 | 1,551,800 | (440,200) | -22.10% | -1.07% |
| IT Capital | 344,000 | 412,800 | 68,800 | 20.00% | 0.17% |
| Parks Capital | 1,462,000 | 1,005,900 | (456,100) | -31.20% | -1.11% |
| Total City Levy | 40,912,255 | 46,199,176 | 5,286,921 | 12.92% | 12.83% |
| EDA Fund | 297,500 | 1,000,000 | 702,500 | 236.13% | 1.70% |
| Total City + EDA Levy | 41,209,755 | 47,199,186 | 5,989,421 | 14.53% | 14.53% |

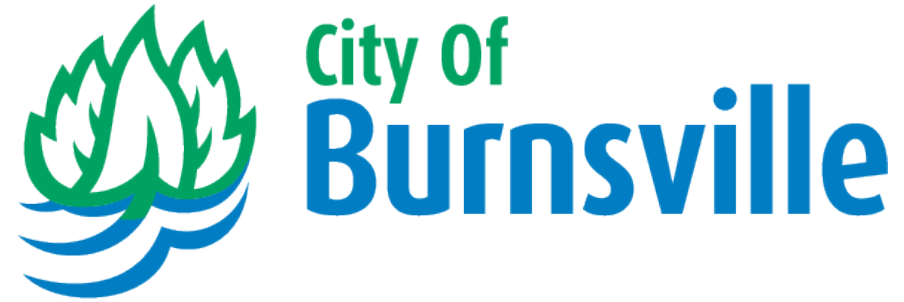
Proposed 2023 Property Tax Levy

- Staff incorporated the Alternative No 2. into the Proposed 2023 Budget. Generally, it:
 - Reflects on the past while planning for the future
 - Provides a down payment for the Organizational Analysis
 - Enhances flexibility for the City Council in future years
 - Maintains appropriate General Fund balances
 - Strengthens the EDA Fund
 - Funds a vibrant community
 - Stabilizes the property tax levy
 - Invests in the future without increasing the tax rate
 - Costs about \$18 per month for a median-valued, residential homestead property owner

Formal Actions and Resolutions



Staff recommend the City Council and EDA Board adopt the resolutions as presented



Thank You!

Questions?