

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: October 11, 2022
Re: Item #6: Update on Council adopted 2023 Preliminary Budget and Tax Levy

Background

At the September 26, 2022 City Council meeting, the Council adopted the preliminary 2022 Budget and Tax levy. The City Manager presented an updated budget and levy recommendation which removed funding for the Commitment to Diversity officer, though the program still exists. This reduced both the budget and property tax levy by \$90,870, resulting in a 6.64% levy increase. The City Council approved the revised budget and property tax levy.

The proposed tax levy is \$26.5 million which is an increase of \$1,650,340 or 6.64%. The budget increased by \$3 million primarily for personnel costs. Contractual and cost inflation increases also contributed to the budget increase. The levy increase is less than the budget increase as fund reserves were utilized in several funds, specifically in the capital project area but also to fund one time infrequent purchases.

The City Council approved a preliminary EDA levy of \$411,505, a reduction of \$31,065 from last year.

The following table depicts the monthly impact based on the preliminary 2023 budget and tax levy.

2023 ESTIMATED Budget Impact on Median-Valued Home (monthly)				
	<u>2022</u>	<u>2023</u>	<u>\$ Chg.</u>	<u>% Chg.</u>
Property Tax Levy: City	\$ 91.90	\$ 101.33	\$ 9.43	10.3%
Property Tax Levy: EDA	1.79	1.71	(0.09)	-5.1%
Combined Total	\$ 93.69	\$ 103.04	\$ 9.34	10.0%

Final action will be taken at the Council’s December 5, 2022 meeting.

Staff Recommendation

Not applicable

Requested Commission Action

For information purposes only. No formal Commission action is necessary.

Prepared by: Michelle Pietrick, Finance Director
 Attachments: A: Not Applicable