

Memo

To: Roseville Finance Commission
From: Patrick Trudgeon, City Manager
Date: October 8, 2019
Re: Item #7: Review the Preliminary 2020 City Council-Adopted Budget and Tax Levy

Background

At the September 23, 2019 City Council meeting, the Council adopted the preliminary 2020 Budget and Tax levy. The adopted budget was the same as the City Manager Recommended Budget that had been reviewed by the Commission at your August 13, 2019 meeting.

As noted previously, the highlights of the preliminary budget included:

- Total Budget of \$62.6 million, an increase of \$7,128,395 or 12.8%
- The majority of the budget increase is due to the planned OVAL expenditure of \$5 million funded by the State of Minnesota
- Total *Property Tax-Supported* Budget of \$37.9 million.
- Budget adds three new police officer and 3 full-time firefighter positions
- Cost increases due to added staff, higher personnel costs, contractual obligations, reducing reliance of general fund reserve to fund budget, and inflationary impacts

The proposed tax levy is \$22.6 million dollars, and increase \$1.1 million or 5.1%. \$96,880 was cut from the budget and levy due to the reduction of funding one Commitment to Diversity police officer due to the lack of candidates in 2020. \$340,805 of new levy is being used to eliminate the use of the general fund reserve for the budget. Starting in 2020, the general fund reserve will no longer be used for the budget.

The City Council approved a preliminary EDA levy of \$463,400 a reduction of about \$10,000 from last year. This levy amount will lead to no increase for the median valued home.

The following table depicts the monthly impact based on the preliminary 2020 budget, tax levy, and utility rates:

2020 Budget Impact on Median-Valued Home (monthly)			
	<u>2019</u>	<u>2020</u>	<u>\$ Chg.</u>
Property Tax Levy: City	\$ 79.14	\$ 85.41	\$ 6.27
Property Tax Levy: EDA	1.92	1.92	-
Utility Rates	57.62	60.60	2.98
	\$ 138.68	\$ 147.93	\$ 9.25

The Commission is reminded that this is only a preliminary budget and tax levy. Final action will be taken at the Council's December 2, 2019 meeting.

Staff Recommendation

Not applicable.

Requested Commission Action

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

Prepared by: Patrick Trudgeon, City Manager

Attachments: A: Not applicable