

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: October 12, 2021
Re: Item #6: Update on Council adopted 2022 Preliminary Budget and Tax Levy

Background

At the September 27, 2021 City Council meeting, the Council adopted the preliminary 2022 Budget and Tax levy. The Council adopted the City Manager recommended budget, which the Finance Commission also recommended at the September 14, 2021 Commission meeting.

The highlights of the 2022 preliminary budget include:

- Total Budget of \$58 million, a decrease of \$4.5 million.
- Total Property Tax-Supported Budget of \$33.8 million
- Cost increases due to higher personnel costs, contractual obligations are also part of the increased budget.

The proposed tax levy is \$24.8 million which is an increase of \$1,166,554 or 4.92%. The budget decreased due to almost \$5 million in Oval Renovation costs which were budgeted in 2021 and also due to Metro-INET becoming a stand-alone entity in 2022. When the budget is adjusted for these 2 items, the actual net budget increase was \$1.5 million. The levy increase is less than the budget increase as fund reserves were utilized in several funds, specifically in the capital project area.

The City Council approved a preliminary EDA levy of \$442,570, a reduction of \$11,100 from last year.

The following table depicts the monthly impact based on the preliminary 2022 budget and tax levy.

2022 Budget Impact on Median-Valued Home (monthly)			
			Dollar
	<u>2021</u>	<u>2022</u>	Change
Property Tax Levy: City	\$ 93.12	\$ 98.50	\$ 5.38
Property Tax Levy: EDA	1.91	1.88	(0.03)
Utility Rates	55.81	58.97	3.16
Combined Total	\$ 150.85	\$ 159.35	\$ 8.50
\$ Change per Month		\$ 8.50	
% Change		5.64%	

The utility rates presented are estimates based on average residential consumption and based on increases recommended in the Utility Rate Study for Water and Stormwater and necessary increases in the Recycling fund based on new contract..

The Commission is reminded that this is only a preliminary budget and tax levy. Final action will be taken at the Council's December 6, 2021 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