

Truth in Taxation

2023 Tax Levy and Budget



DECEMBER 5, 2022



Property Taxes Calculation



Budget + Debt



Budget + Debt – Non property tax revenues = Levy for property tax



Levy for property taxes / tax capacity = rate



Assessed value X Rate = Tax



Tax – credits – refunds = Net Tax



Net Tax = Property Tax

Total Tax Levy Factors



1. Market Value
2. Tax Capacity
3. Property Class Rates
4. State Aids
5. County Budget/Tax Levy
6. School Operating Levy
7. School District voter Approved Debt Obligations
8. City Budget and Tax Levies
9. Special State Laws; I.e. Credits and Exclusions

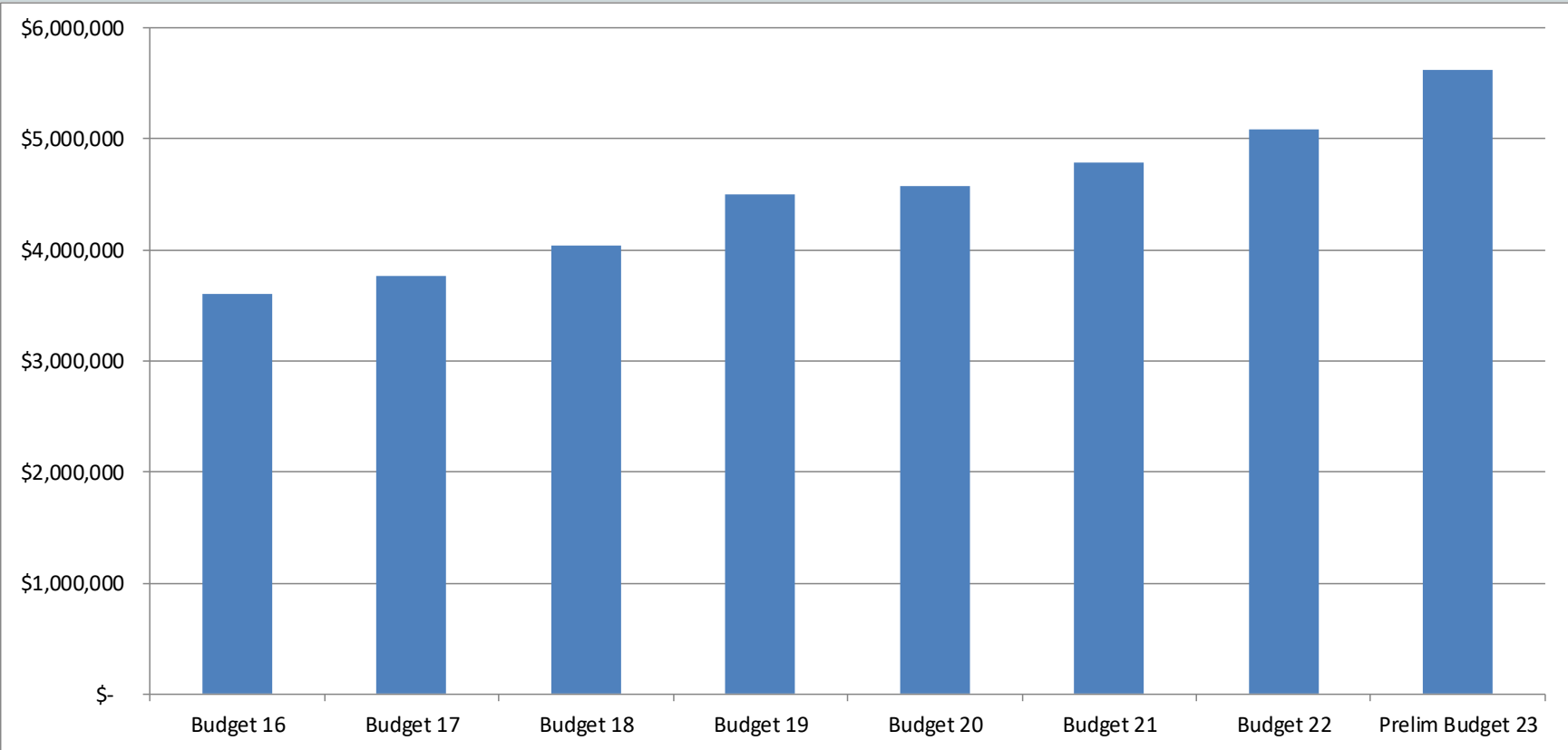
Reason for tonight's meeting and only item controlled by City

Budget Process Overview



- ❖ Planning (May – Aug.)
 - Review of timelines, key issues and financial outlook
- ❖ Department Budget Requests (June – Aug.)
 - Administration/Finance review of department requests
 - Staff Recommended Budget
- ❖ City Council Review (Aug. – Nov.)
 - Council Workshops
 - Set Preliminary Budget - Council Action (Sept.)
 - September 6, 2022 City Council approved a preliminary levy of 7.54%
 - Truth in Taxation Notice
- ❖ Final Review and Adoption of Budget (Dec.)
 - Truth-in-Taxation Hearing (proposed levy of 4.99%)
 - Final Budget and Levy - Council Action

Budget History



Historical Change in Total Levy (%)



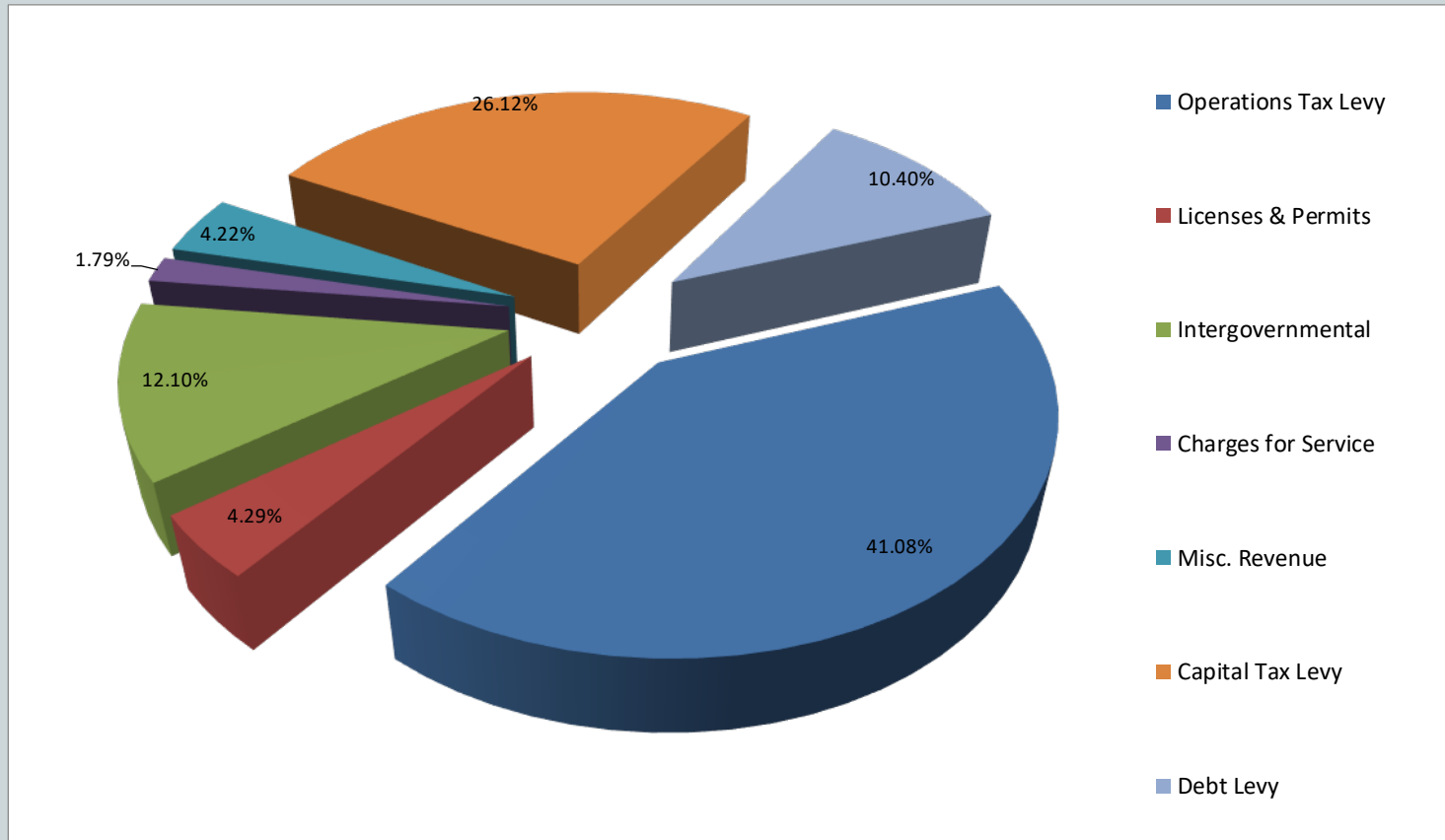
<u>Year</u>	<u>Total Levy</u>
• 2012	1.5%
• 2013	2.0%
• 2014	2.96%
• 2015	5.97%
• 2016	4.98%
• 2017	2.94%
• 2018	2.89%
• 2019	2.99%
• 2020	4.76%
• 2021	2.90%
• 2022	4.99%
• Prelim 2023	4.99%

2023 Tax Levy



- 2022 Total Levy \$4,532,720
- 2023 Total Levy \$4,758,894
 - Operations Levy \$2,519,337
 - Capital Levy \$1,601,861
 - Debt Levy \$ 637,696
- 2022 to 2023 Change in Levy (4.99%)
 - Debt Service Levy Increase -14.96% = \$112,212
 - General Levy Increase 8.95% = \$338,386
 - Capital Levy Increase 10.03% = \$145,974
 - **Total Levy Increase 4.99% = \$226,174**

2022 Budget – Revenue



2023 Revenue Changes (+/-)



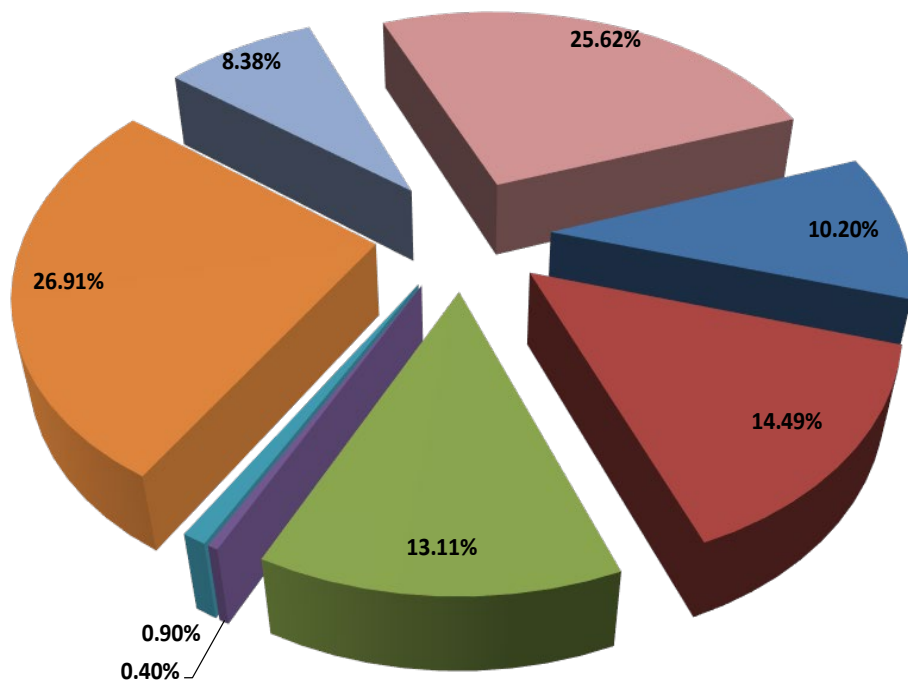
- Increase Fire Contract: \$51,841
- Increase Building Permits: \$50,000 projection
- Decrease LGA: (- \$64,860)
- Decrease Cable Franchise: (-\$10,000) projection
- Decrease Interest Earnings: (-\$15,000) projection

2023 Expense Changes (+/-)



- Increase Police Protection: \$89,389
- Increase Fire Department Operations: \$118,607
- Increase Capital: \$145,974

Where the Tax Dollars Go



- Debt (Annual General Obligation Bond Payments)
- General Government (All Other Depts. & Buildings)
- Public Works (building, streets, lights etc.)
- Economic Development (taxes)
- Planning & Zoning
- Public Safety (Police & Fire, animal control)
- Culture & Recreation (Parks, Library, Senior Center, etc.)
- Capital Reserves (set aside for future purchases)

2023 Budget & Levy Summary



2023 Total Budget (with capital) = \$5,615,294

2023 Total Levy \$4,758,894

Debt Service Levy = \$637,696 (decrease of -\$112,212)

General Operations Levy = \$2,519,337 (increase of \$192,412)

Capital Levy = \$1,601,861 (increase \$145,947)

Total Levy Increase= \$226,147 (increase 4.99%)