



Legislation Text

File #: Res. 2020-086, **Version:** 1

City Council Meeting Date: September 15, 2020

To: Mayor and City Council

From: Ben Martig, City Administrator
Brenda Angelstad, Finance Director

Consideration of Resolution Adopting a Proposed 2020 Total Tax Levy Payable in 2021, includes HRA & EDA.

Action Requested:

Council approval of the attached Resolution Adopting a Proposed 2020 Tax Levy Payable in 2021 with preliminary levy increase of 5.7% from 2020 to 2021.

Summary Report:

This action is a requirement of State law, which provides that all local governments approve a preliminary tax levy and budget on or before September 30th of each year.

This preliminary levy constitutes the basis for the “Notice of Proposed Taxes” sent to property owners in mid to late November of each year - just prior to the public hearings. The preliminary levy amount sets the maximum limit. For final approval in December, the levy may be reduced, but not increased.

Attached are three resolution alternatives, a 7.7%, a 5.7% and a 3.7% levy increase. The 7.7% levy increase alternative was the highest presented alternative at last week’s work session and was recommended by staff. That amount covers our preliminary General Fund Budget, and projects we currently have included in our Capital Improvement Plan and Capital Equipment Plan and also allows for an additional 2.0% in additional items yet to be prioritized. However, staff has amended its recommended resolution to the 5.7% maximum levy increase alternative based on Council feedback at the last worksession.

Over the next several months, the Council will hold budget workshops for the General fund and all other operations. These reviews will culminate in a formal public hearing on the budget and tax levies at a regular meeting on December 1, 2020.

City Administrator Martig will be giving a presentation for this agenda item. The presentation will be provided in advance of the meeting as a supplemental agenda item.

Alternative Options:

- Approve an alternative preliminary levy amount as shown in attachment 2 or 3.

Financial Impacts:

The preliminary levy sets the maximum amount we are able to levy. The council may not increase the total

levy after September 30 but they may decrease after that point.

Tentative Timelines:

- The preliminary levy must be submitted to the county by September 30, 2020.
- The final levy will be considered for adoption in December 2020, at least after the public hearing on December 1, 2020.