



CITY OF
LONG LAKE

City Council Agenda Report

City of Long Lake

450 Virginia Avenue, PO Box 606

Long Lake, MN 55356

MEETING DATE / September 17, 2024

SUBJECT: Adoption of Preliminary 2025 Payable Levy; Establish Truth in Taxation Public Meeting Date to Discuss Levy and Proposed Budget

Prepared By: Scott Weske, City Administrator

Report Date: 9/10/2024

Recommended City Council Action

Staff recommends the following separate motions:

Motion to adopt Resolution No. 2024-42 establishing the preliminary property tax levy payable in 2025 for the City of Long Lake.

Motion to adopt Resolution No. 2024-43 establishing the Truth in Taxation public meeting date as December 3, 2024 to discuss the proposed levy and budget for taxes payable 2025 for the City of Long Lake.

With the above actions, the City Council will be complying with the statutory requirements to establish and communicate proposed levy information, to select a taxes payable 2025 Public Meeting date to discuss the proposed levy and budget, and to certify the City's preliminary levy and proposed budget to the County Auditor by the required deadline of September 30, 2024.

Council should be aware that the final levy adopted by end of December 2024 can decrease from the preliminary levy, but it generally cannot increase without the addition of specific allowable "add-on" levy circumstances.

Overview / Background

The preliminary 2025 budget and levy was discussed at the September 3rd Council work session. Staff has incorporated the City Council's feedback into the current proposed levy. The Council will discuss the final levy and budget prior to final levy adoption at the Council's second meeting in December.

Revenues:

Local Government Aid (LGA) for the year 2025 continues to be \$0.

Expenditures:

Police Contract

The annual estimated contract fee for 2025 will be \$341,960 resulting in a \$9,888 increase from the 2024 amount.

Fire Department

The budget was decreased \$36,918 which is 4.17%. The City's share is \$103,954 which is a \$7,653 increase.

Health Insurance

Staff is estimating a 10% increase; however, staff will know more in the coming months once plans and rates are provided by carriers. Staff is aware that a change in insurance carriers may be necessary based on expense.

Employee Wages

A 3% COLA increase is budgeted for all employees, Council may want to think about a larger increase due to the cost of inflation and wages compared to peers.

Salary Allocations:

% of Total	<u>Budget</u>	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>
40.92%	41500 General Fund Admin	\$ 288,328.57	\$ 279,931.00	\$ 8,397.57
16.47%	42280 Fire Dept. Admin	\$ 116,035.94	\$ 112,656.00	\$ 3,379.94
20.55%	43050 Public Works	\$ 144,790.87	\$ 148,250.00	\$ (3,459.13)
8.22%	601 Water Fund	\$ 57,916.35	\$ 59,300.00	\$ (1,383.65)
6.16%	602-Sewer Fund	\$ 43,437.26	\$ 44,475.00	\$ (1,037.74)
6.16%	603-Storm Water Fund	\$ 43,437.26	\$ 44,475.00	\$ (1,037.74)
0.76%	601 Water Fund (ON CALL)	\$ 5,362.71	\$ 6,582.00	\$ (1,219.29)
0.76%	602-Sewer Fund (ON CALL)	\$ 5,362.71	\$ 6,582.00	\$ (1,219.29)
100.00%	TOTAL	\$ 704,672	\$ 702,251.00	\$ 2,420.67

Levy Details:

Bond Debt Service

Estimated \$87,530

Go Bond 2016A - \$46,160

Go Bond 2017A - \$41,370

Final Levy History

	Tax Rate
2016 - \$1,064,579	43.79
2017 - \$1,064,579	39.18
2018 - \$1,064,579	37.15
2019 - \$1,064,579	36.417
2020 - \$1,118,585	36.576
2021 - \$1,232,677	36.58
2022 - \$1,277,908	36.245
2023 - \$1,406,740	33.441
2024 - \$1,577,558	33.441 (Flat)

Proposed Levy Option

	Tax Rate
2025 - \$1,745,661	33.441 (Flat)

Under this scenario, the proposed levy is an increase of \$188,071 or 9.4% which is no increase in the tax rate. It will provide an additional \$228,627 in funding to be used on needs of the City.

Funding needs of the City:

\$200,000 for Fire Department legal fees

\$20,000 for tree removal of dead Ash trees impacted by Emerald Ash Borer in the City Right-of-Way.

IN SUMMARY

While staff understands the economic times everyone is facing, staff recommends either maintain a flat tax rate or a tax rate increase for the following reasons:

- The current fire contract is coming to the end December 31, 2025, the tax levy will need to be increased to provide services to Long Lake residents.
- Due to inflation, almost all purchases are greatly higher than in past years.

Supporting Information

- Resolution No. 2024-42 establishing the preliminary property tax levy payable in 2025
- Resolution No. 2024-43 establishing the Truth in Taxation public meeting date as December 3, 2024
- 2025 Preliminary Overview All Funds
- 2025 General Fund Budget
- 2025 Fire Department Budget