



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, September 14, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Resolution Adopting Preliminary Levy for 2022
Background Information:	<p>At the August 25th work session, staff proposed a levy increase of \$730,709 or 10.07%. The main contributing factors for this increase are an increase levy item for street mill and overlays, increased salaries, an additional street employee and health care costs.</p> <p>Staff have been directed by the Council to reduce this increase for the preliminary levy to 6.0-7.0%. All cities must adopt proposed budget by resolution and certify proposed tax levy to the county auditor on or before September 30th.</p> <p>Final levies may be lower than the proposed levy but may not exceed the proposed levy that is adopted in September.</p> <p>Staff is recommending a 2022 preliminary levy increase of \$435,093 or 6.0%.</p> <p>The proposed 2022 preliminary general fund budget currently has a deficit of 287,267.29. Of this amount 140,000 is planned use of reserves on one-time expenditures. The remaining amount is due to an additional street employee and unknown health insurance costs – which are being budgeted at a 9% increase from 2021. This amount will not be known until October 1st and will be adjusted for the final budget approval in December.</p> <p>The City Council is required to hold a public meeting for the proposed levy and certify to the County Auditor the date, location and start time at the same time the proposed levy is certified. Currently in the resolution this date is being proposed Tuesday, December 14th at 6:00pm located at City Hall.</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	Approve Resolution Adopting Preliminary Levy for 2022