

2024 Proposed General Fund Budget & Levy Overview

October 3rd, 2023, Update

Revenue

1. Property Tax Levy All Funds: Increase of ~~\$255,667 or 5.30%~~ **\$241,511 or 5.01%**
 - a. Equipment Levy: ~~Drops to \$110,418~~ **\$148,506** to continue the policy of levying for \$1,000,000 between Debt Service and the Equipment Levy.
2. LGA: Due to legislation pass in 2023, our LGA saw an increase of \$197,719, to \$1,183,527.
3. Interest Income: Increase of \$40,000 based on our current fixed income portfolio and returns from our money market account.
4. **Decrease Public Works County Road Maintenance Revenue \$3,300**

Expenses

1. **Personnel (Wages & Benefits)** - Proposed increase of \$269,153 or 6.6%
 - a. Wages – projected at 4% COLA plus steps
 - i. City Administrator salary/benefit allocation has been updated to have 30% paid by the EDA (was 1.5%). The Planner salary/benefit allocation moved from 50% EDA to 100% Planning.
 - ii. 2024 is a leap year. There are two additional work days included in the budget.
 - iii. With the City paying for 65% of the cost of the SRO in 2024 (vs. 25% in a standard year), due do budget considerations, I am recommending the City uses \$44,930 of the Public Safety funding that is expected to be received at the end of 2023 to cover the difference.
 - iv. **Parks Part Time Staff: Add \$5,000 pay & PERA/FICA due to returning staff pay increase**
 - b. Health Insurance – In 2023 we committed to a 2-year agreement. 2024 max increase is 6.25%
 - c. Dental Insurance – Current carrier Delta Dental of MN, renewal information is released in September current proposed budget includes a 10% increase.
 - d. Life Insurance & Short-Term Disability – In 2023 committed to a 3-year agreement with the Hartford, no rate increase through 2025.
2. **Operations, Maintenance & Capital:**
 - a. **Council: Add \$5,400 to supplies for potential new member laptops**
 - b. Property and liability Insurance: 7% increase and \$0 agent fee increase
 - c. Contribution to New Prague Area Schools for Fitness & Aquatic Center – decrease from FY23 budget by \$14,275
 - d. Capital & Special Projects
 - i. Government Buildings: Regardless of the decision on future facilities, it is clear that either City Hall will need additional maintenance or money will be needed for a new facility. To that end, I have included \$100,000 in the capital outlay budget for either City Hall facility work or to be used towards a new facility.
 - ii. Fire: \$25,000 has been included to begin updating radios. Due to levy considerations, I am recommending the funding for this would come from the Public Safety Funding that is expected to be received end of 2023 from the State.
 - iii. Building Inspector: \$10,000 has been included to replace the aging office furniture within the Community Development office.
 - iv. Streets: \$12,000 has been included to purchase a Stump Grinder (1/3 of the cost). It was expected to replace a pickup at a cost of \$60,000, but was that purchase was pushed back a year for budget considerations.
 - v. Parks: \$12,000 has been included to purchase a Stump Grinder (1/3 of the cost). \$70,000 has also been included to replace a small Front-end Loader.

- vi. Park Board: \$130,000, which would carry-over from 2023, remains in the Park Board budget for use towards trail connections. This wasn't completed in 2023 due to not receiving grant money to assist in the funding. Staff will again be applying for grants to complete the work.

3. **Professional Services:**

- a. Technology: With growing use of technology around the City, staff worked with CTS to start future planning equipment replacement. To that end, an additional \$42,000 has been added as Capital Outlay to start replacing equipment.
- b. Planning: As the Comprehensive Plan wraps up, the next step will be to update the Development Code to work in tandem with the Comp Plan. Because the Code has not seen a full overhaul in decades, instead having been piecemealed, I am recommending a full re-write. This would help reorganize the code and include graphics for many of the regulations so that it is easier to read and understand for developers and for citizens improving their property. Informal quotes for this work came in around \$75,000. Due to budget considerations, I am recommending putting \$40,000 away in 2024 and then planning for doing a re-write in 2025 while also budgeting for the remaining amount.
- c. Police: Lease Equipment has increased by \$32,400 due to an increase in body camera equipment. When originally purchased, the City opted for an upfront payment for five years. Due to the sharp spike in costs, we are instead opting for a five-year payment plan. There is no difference in final price between full payment and payment plan.

4. **Debt Service:**

- a. Debt Service payments increase primarily due to 2023A payments
- b. [Reduce Debt Service Levy amount by \\$27,857 due to corrections to Baker Tilly debt workbook](#)

5. **Other Notables:**

- a. Elections: In the passed, the City has only budgeted for elections during election years. In 2024, there is a presidential election so we are budgeting for election judges. The State is requiring staffed early voting and Scott County is having the cities staff the early election. The budget reflects this need for staffed election judges for all three elections (March primary, August primary, November general). Going forward, staff will be proposing to budget for elections each year, to limit fluctuations in the budget every other year.

6. **Discretionary Expense:** Budget contingency allowance to remain at \$25,000, which is the same as 2023.

7. **Operating Transfers Out:** 2024 is the first of ten years that will transition the Golf Club away from the yearly transfer. For the last twelve years, the City has transferred \$121,270 to the Golf Club to assist with debt service and operations. In 2024, the planned transfer is \$109,143. For the next ten years, a planned reduction of \$12,127 will take place each year until the Golf Club is no longer receiving City transfers.