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MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: SET 2024 PRELIMINARY, NOT TO EXCEED PROPERTY TAX LEVY
DATE: SEPTEMBER 11, 2024

Each year, the Council is required to set its proposed property tax levy and certify that levy to the county auditor (Minn Stat. 275.065.1). To this point, the City Council has convened to discuss the proposed budget for 2025, which is directly linked to the proposed tax levy.

At the first meeting on August 5, 2024, the staff shared a first draft of the general fund budget that would increase the property tax levy by \$716,291, or 14.85%, over 2024. At that meeting, the Council asked staff to explore options to lower the proposed property tax levy.

At the second meeting on September 3, 2024, the staff shared the second draft of the general fund budget, implementing changes requested by the City Council, which would increase the property tax levy by \$542,087, or 11.24%, over 2024. As was discussed, with the proposed levy at 11.24%, I would recommend setting the proposed levy with an increase of 13% over 2024 so that there is a small cushion should something arise during the remainder of the budget season.

As a reminder, this is not a final approval of the tax levy. This is a proposed tax levy that, over the next few months, may not be exceeded in December when the final property tax levy is set.

Recommendation

Staff recommends approval of Resolution #24-09-16-01, setting the 2024 Proposed Property Tax Levy at \$5,451,715 and scheduling the public hearing to set the 2024 Final Tax Levy for December 2, 2024.