



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: September 6, 2023

Subject: 2024 Budget Update

In a normal year, the 2024 General Fund budget would be finalized and the proposed property tax levy would be set. With union contracts expiring at the end of the year and the Legislature’s change to the M.S. § 121A.58 and M.S. § 121A.582, there is significant uncertainty.

Due to the tentative settlement of the LELS Local #7 (Patrol) contract, staff has additional information needed to provide an updated version of the proposed 2024 budget.

If the SRO contract is not renewed, here is what the proposed 2024 budget looks like:

Revenue		Expenditure	
Tax Levy	\$ 3,823,887	Council	\$ 76,575
Intergovernmental Revenue	921,720	Administration	543,664
Permits and Licenses	160,289	Assessor	39,140
Charges for Current Services	197,462	Auditor	13,400
Miscellaneous Revenues	71,606	I.T.	64,928
Interfund Transfers	156,502	Legal	122,500
		Engineer	6,500
		Planning & Zoning	2,500
		Government Buildings	132,050
		Police	2,186,375
		Fire	357,317
		Code Enforcement	318,107
		Streets	355,117
		Recreation	473,253
		Parks	400,440
		Miscellaneous	239,600
TOTAL	\$ 5,331,466	TOTAL	\$ 5,331,466

This budget accounts for the current SRO to be redeployed to patrol coverage.

If the Legislature amends the law to facilitate the renewal of the SRO contract with Spring Lake Park Schools, this is what the proposed 2024 budget will look like:

Revenue		Expenditure	
Tax Levy	\$ 3,823,887	Council	\$ 76,575
Intergovernmental Revenue	921,720	Administration	543,664
Permits and Licenses	160,289	Assessor	39,140
Charges for Current Services	197,462	Auditor	13,400
Miscellaneous Revenues	166,955	I.T.	64,928
Interfund Transfers	156,502	Legal	122,500
		Engineer	6,500
		Planning & Zoning	2,500
		Government Buildings	132,050
		Police	2,281,724
		Fire	357,317
		Code Enforcement	318,107
		Streets	355,117
		Recreation	473,253
		Parks	400,440
		Miscellaneous	239,600
TOTAL	\$ 5,426,815	TOTAL	\$ 5,426,815

This budget includes the addition of the ninth patrol officer to the Police Department.

Based on the no SRO scenario, staff would recommend setting the preliminary levy as follows:

Property Tax Levy	2023	2024 Orig.	2024 Rev.	% Change
General Revenue	\$ 3,685,047	\$ 3,809,982	\$ 3,823,887	3.77%
Capital Improvement Plan Levy	\$ 176,500	\$ 185,325	\$ 185,325	5.00%
2022 Street Improvement Project Levy	\$ 24,078	\$ 24,078	\$ 24,078	0.00%
Debt Service Levy	\$ 80,000	\$ 80,000	\$ 80,000	0.00%
Total Tax Levy	\$ 3,965,625	\$ 4,099,385	\$ 4,113,290	3.72%

The proposed General Revenue levy is \$13,905 higher than what was included in the original budget proposal. This is due to a combination of the loss of revenue from the SRO contract and slightly higher than anticipated labor costs associated with the tentative agreement.

Once the City Council sets the preliminary tax levy, the final tax levy must be the same or lower than the preliminary levy.

If you have any questions, please do not hesitate to contact me at 763-784-6491.