

COUNCIL ACTION FORM

Meeting Date: September 12, 2024
Staff Contact: Leslie Herring, City Administrator

Agenda Item: Consider Resolution No. 132-2024 approving a tax rate in excess of the Revenue Neutral Rate for the 2025 budget year

Background/Description of Item

Over the last several months the Council and staff have worked to develop the 2025 budget. The Governing Body reviewed the recommended budget on July 11th and approved the notice to exceed the Revenue Neutral Rate on that same date.

Staff Comments/Recommendations

The Revenue Neutral Rate is the tax rate in mills that will generate the same property tax in dollars as the previous tax year using the current tax year's total assessed valuation. In Westwood, the Revenue Neutral Rate would be 19.435 mills. The 2025 recommended budget requires a total mill rate of 21.199, flat with the 2024 rate.

Per Senate Bill 13, the recommended budget requires a Revenue Neutral Rate hearing to exceed the revenue neutral rate provided by the County Clerk. Notice of intent to exceed the Revenue Neutral Rate was provided to the County Clerk by July 20th and the notice of public hearing was published on August 20, 2024. The public hearing will occur at the beginning of the September 12, 2024 meeting. The adoption of the 2025 budget will occur following the adoption of the Revenue Neutral Rate resolution.

Staff recommends the City Council approve a resolution adopting a tax rate in excess of the Revenue Neutral Rate for the 2025 budget year.

Budget Impact

The budget maintains the same level of services as the 2024 budget. Funding the budget with existing services does not require an increase to the mill levy rate, however it does exceed the Revenue Neutral Rate due to revenue that will be received from increased property valuations. The 2025 recommended budget has a total mill rate of 21.199, flat with the 2024 rate.

Suggested Motion

I move to approve Resolution No. 132-2024 approving a tax rate or mill levy rate in excess of the Revenue Neutral Rate for the 2025 budget year.