

COUNCIL ACTION FORM

Meeting Date: July 13, 2023

Staff Contact: Leslie Herring, City Administrator

Agenda Item: Consider Resolution No. 121-2023 to Exceed the Revenue Neutral Rate, Establish the Date and Time of a Public Hearing, and Provide for the Giving of Notice of Such Public Hearing

Background/Description of Item

Over the last several months staff have worked to develop the 2024 budget. The 2024 budget maintains the same level of services as the 2023 budget and keeps operating expenses relatively flat, but provides for increased expenditures related to personnel and certain professional services and contracts, as well as increased utility costs. Funding the recommended 2024 budget does not require an increase to the mill levy rate, but it does exceed the revenue neutral rate due to increased revenue that will be received from increased property valuations.

The 2024 proposed budget has a total mill rate of 21.198, flat with the 2023 rate. Per Senate Bill 13, the proposed budget will require a Revenue Neutral Rate hearing to exceed the revenue neutral rate provided by the County Clerk. During the 2021 legislative session, the tax lid was removed and the legislature enacted SB13 and HB2104, establishing new notice and public hearing requirements if the proposed budget will exceed the property tax levy's revenue neutral rate. 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 18.679 mills. Since the proposed budget requires 21.198 mills, a public hearing is required.

Notice of intent to exceed the revenue neutral rate must be provided to the County Clerk before July 20th. The hearing must occur between August 20th and September 20th . The public hearing is proposed for the City Council's regular meeting on Thursday, September 14, 2023. The budget public hearing and adoption of the 2024 budget will follow the revenue neutral rate hearing on that meeting agenda.

Staff Comments/Recommendation

Approve Resolution No. 121-2023 to exceed the Revenue Neutral Rate, establish the date and time of a public hearing, and provide for the giving of notice of such public hearing.

Suggested Motion

I move to approve Resolution No. 121-2023 to exceed the Revenue Neutral Rate, establish the date and time of a public hearing, and provide for the giving of notice of such public hearing.