

## COUNCIL ACTION FORM

Meeting Date: September 14, 2023

Staff Contact: Leslie Herring, City Administrator

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Agenda Item: Consider Resolution No. 122-2023 approving a tax rate in excess of the Revenue Neutral Rate for the 2024 budget year.

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### **Background/Description of Item**

Over the last several months the Council and staff have worked to develop the 2024 budget. The Governing Body reviewed the recommended budget on July 13<sup>th</sup> 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 18.679 mills. The 2023 recommended budget requires a total mill rate of 21.198, flat with the 2023 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 before July 20<sup>th</sup> and the notice of public hearing was published on August 29, 2023. The public hearing will occur at the beginning of the September 14, 2023 meeting. The adoption of the 2024 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 2024 budget year.

### **Budget Impact**

The budget maintains the same level of services as the 2023 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 2024 recommended budget has a total mill rate of 21.198, flat with the 2023 rate.

### *Suggested Motion*

*I move to approve Resolution No. 122-2023 approving a tax rate or mill levy rate in excess of the Revenue Neutral Rate for the 2024 budget year.*