



**WORK SESSION
RICHFIELD MUNICIPAL CENTER, BARTHOLOMEW ROOM
AUGUST 17, 2022
4:15 PM**

Call to order

1. Presentation of the 2022 Revised/2023 Proposed Budget and Tax Levy.

Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.



STAFF REPORT NO. 20

WORK SESSION

8/17/2022

REPORT PREPARED BY: Kumud Verma, Finance Manager

DEPARTMENT DIRECTOR REVIEW:

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager
8/12/2022

ITEM FOR WORK SESSION:

Presentation of the 2022 Revised/2023 Proposed Budget and Tax Levy.

EXECUTIVE SUMMARY:

At the July 26, 2022 City Council study session, staff provided the City Council with a preview of the preliminary 2023 Budget summary and levy, proposed 2023 Capital Improvement Budget (CIB) and 2024-2027 Capital Improvement Plan (CIP), proposed utility rates, and a review of City fees. This discussion also included a discussion of staff's spending recommendation for the City's remaining allocation of the Coronavirus Local Fiscal Recovery Funds as established under the American Rescue Plan Act (ARPA).

The 2022 Revised and 2023 Proposed Budget and Tax Levy have been completed and will be presented for City Council for review.

The proposed 2023 tax levy is a 6.6% increase over the 2022 tax levy. The budget includes a balanced General Fund budget and also includes Special Revenue funds, Enterprise funds, Internal Service funds, Debt Service funds, and Capital Improvement projects budgets.

The City Council will be asked to approve the 2022 Revised/2023 Proposed budget and preliminary tax levy at the September 13, 2022 City Council meeting.

During the ARPA discussion on July 26, Council expressed interest in using some funds to explore the opportunity for some building energy efficiency work with the funds. Staff has pulled together a proposed project which focus on Municipal Building Energy Efficiency/Usage Audits and Improvements. Staff estimates the project will be around \$50,000. The total amount of ARPA funds remain the same since the proposed budget for EAB work has been reduced to \$400,000. PW staff does not believe this adjustment will greatly impact the effectiveness of the EAB proposal.

DIRECTION NEEDED:

The work session is an opportunity for the City Council to review the 2022 Revised/2023 Proposed budget, ask questions and provide direction to staff for any needed changes.

BACKGROUND INFORMATION:

A. **HISTORICAL CONTEXT**

Staff has typically presented the proposed budget and tax levy to the City Council at a special budget work session prior to approval at the first City Council meeting in September.

B. **POLICIES (resolutions, ordinances, regulations, statutes, etc):**

The 2022 Revised/2023 Proposed budget and preliminary tax levy will be presented to the City Council at the September 13, 2022 City Council meeting for approval.

C. **CRITICAL TIMING ISSUES:**

- The proposed 2023 tax levy is a 6.6% increase over the 2022 adopted levy.
- The increase in the City's General Fund budget for 2023 is a 3.86% over the 2022 adopted budgeted level.

D. **FINANCIAL IMPACT:**

N/A

E. **LEGAL CONSIDERATION:**

ALTERNATIVE(S):

PRINCIPAL PARTIES EXPECTED AT MEETING: