

**TO: MAYOR AND CITY COUNCIL**

**FROM: Neil Jensen, City Administrator**

**SUBJECT: 2024 Budget Work Session**

**MEETING DATE: August 1, 2023**

**BACKGROUND**

The 2024 budget is in draft form because there are a few items I would to discuss with the City Council before I can get it closer to Preliminary Budget form.

The main unknown currently is the Local Government Aid revenue. I have inserted the 2023 allocation of \$708,297. This number will increase with additional funding coming from the State.

Invenergy payment did increase due to inflation.

Another increase in revenue is investment interest of \$180,000. City investments were in a holding fund during the pandemic and now are back into CD's. We have these in interest bearing at 4-5% which is extremely good. But some of these are callable before the due date or end of 2024. I would not depend on all this revenue for operations! I would like to decrease this number to \$90,000.

Expenses include increases in wages with the approval of the pay study. Electric and gas utility increases across all departments. Repair and equipment line item increases and supplies have increased.

Discussion items include capital equipment funds.

Please review the budget and we can discuss it at the work session.

# 2024 LEVY SUMMARY

 **DRAFT**

	Budget 2024		Difference 2023-2024	% Diff 2023-2024
	2023	2024		
General Levy	\$ 2,308,371	\$ 2,334,341	\$ 25,970	1.13%
Bond Levy*	\$ 399,120	\$ 399,800	\$ 680	0.17%
Non-General Fund Levy**	\$ 557,365	\$ 619,990	\$ 62,625	11.24%
Sub-Total	\$ 3,264,856	\$ 3,354,131	\$ 89,275	<b>2.73%</b>
Tax Abatement	\$ 42,100	\$ 42,100	\$ -	0.00%
Total Levy	\$ 3,306,956	\$ 3,396,231	\$ 89,275	2.70%
<b>*Breakdown of Bond Levies:</b>				
2016A Bonds-Westside II Fund 530	\$ 80,000	\$ 80,000	\$ -	0.00%
2018A Bonds-Eastside II Fund 531	\$ 144,000	\$ 145,000	\$ 1,000	0.69%
2018B Cert-Fire Tk Fund 532	\$ 48,120	\$ 47,800	\$ (320)	-0.67%
2020A Refund G.O. Fund 533	\$ 127,000	\$ 127,000	\$ -	0.00%
Totals	\$ 399,120	\$ 399,800	\$ 680	0.17%
<b>**Breakdown of Non-General Fund Levies:</b>				
Library Fund	\$ 380,936	\$ 434,719	\$ 53,783	14.12%
Fire Dept Operations Fund	\$ 99,394	\$ 103,626	\$ 4,232	4.26%
Economic Development Fd	\$ 77,035	\$ 81,010	\$ 3,975	5.16%
Totals	\$ 557,365	\$ 619,355	\$ 61,990	11.12%