



CITY OF LE SUEUR  
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Ryan Graff, Finance Director  
Joe Roby, City Administrator

SUBJECT: 2023 Preliminary Levy Adoption

DATE: For the City Council Meeting of Monday, September 12<sup>th</sup>, 2022

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**PURPOSE**

Enclosed is the 2023 preliminary General Fund budget and preliminary 2023 levy as prepared by city staff. A preliminary budget and tax levy must be approved and certified with Le Sueur County before September 30, 2022. As you are aware, the construction of the 2022 budget is a year-long process which includes the Mayor, City Council, Personnel and Budget Committee, and staff input.

**Summary**

Key items in this year's budget:

- Overall City-wide levy increased by 16.82 %. The levy increase relates primarily to the items listed below:
  - General Levy
    - Police Department moving to completely FT Officers results in approximately \$100,000 levy increase
    - Assume 20% increases in worker's comp insurance, general liability insurance, utilities, and fuel
    - Assume 10% increases in health and dental insurance
  - General Fund Expenses
    - Contingency set at \$75,000
  - Community Center
    - Will maintain 2022 operations in 2023 (indoor pool remains closed for 2023)
    - Planned 19% increase in membership revenue, offset by increase in utilities and lifeguard wages
  - Capital Improvement Plan
    - Overall CIP expense increase of \$50,000
      - Initial CIP list from staff of approximately \$3.8M, pared down to \$ 750,000 for 2023

- General Fund Revenue
  - Marginal LGA increase of approximately \$20,000
  - No American Recovery Plan Act (ARPA) revenue budgeted in 2023 (budgeted and received \$200,000 in 2022)

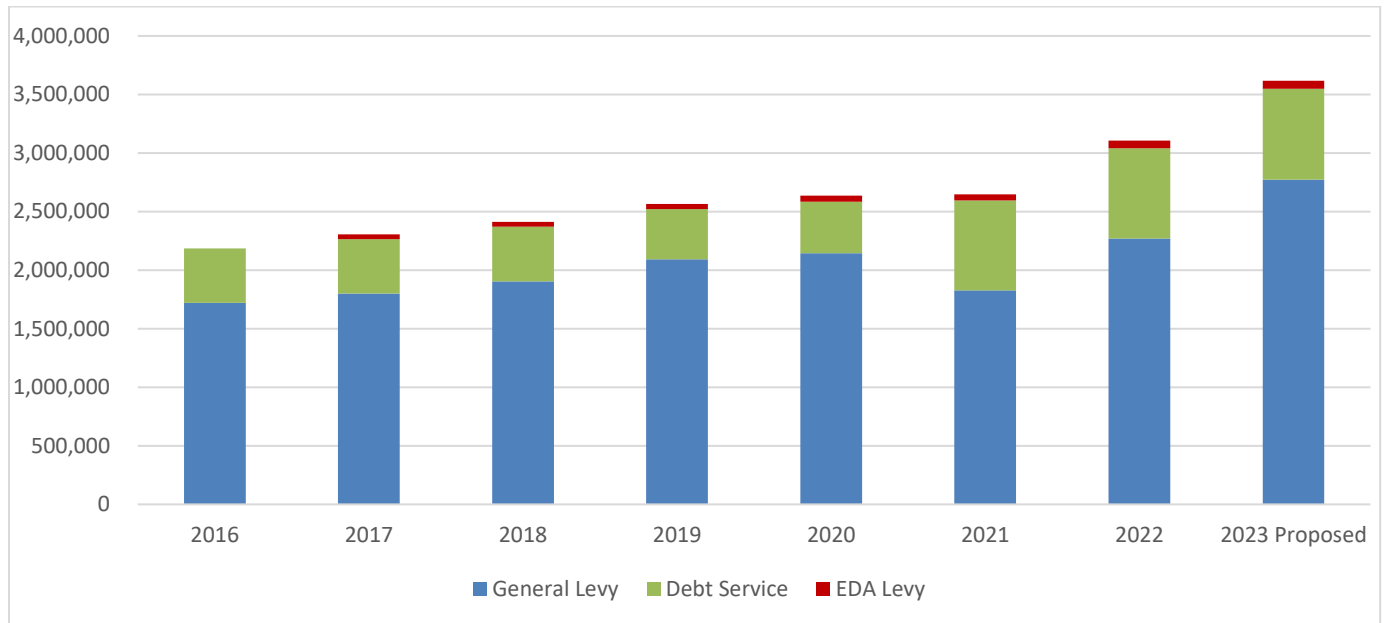
## Tax Levy Summary

Overall, the tax levy includes levies for general operations, city infrastructure, and debt services. The preliminary levy increases by 16.82% when compared to 2022. The 2022 and 2023 tax levies are listed below:

	2022 Levy	Proposed 2023 Levy	Increase (Decrease) from 2022	Percent Change from 2022
General Levy	\$ 688,903	\$ 1,058,898	\$ 369,995	54%
Community Center	\$ 695,721	\$ 779,823	\$ 84,102	12%
Hwy 169 Abatement	\$ 185,000	\$ 185,000	\$ -	0%
Capital Levy	\$ 700,000	\$ 750,000	\$ 50,000	7%
<b>Total Base Levy</b>	<b>\$ 2,269,624</b>	<b>\$ 2,773,721</b>	<b>\$ 504,097</b>	<b>22%</b>
<b>EDA Levy</b>	<b>\$ 66,800</b>	<b>\$ 78,761</b>	<b>\$ 11,961</b>	<b>18%</b>
<b>Debt Levy</b>				
2010D GO Captial Improvement	\$ 56,000	\$ 52,050	\$ (3,950)	-7%
2013B GO Street Reconstruction	\$ 79,000	\$ 73,508	\$ (5,493)	-7%
2014B GO Refunding Bonds - Library	\$ 64,000	\$ -	\$ (64,000)	-100%
2017A GO Street Improvement	\$ 162,000	\$ 190,563	\$ 28,563	18%
2019 Equipment Lease	\$ 260,308	\$ 218,284	\$ (42,024)	-16%
2021A GO Fire Truck/Plow	\$ 22,889	\$ 64,550	\$ 41,661	182%
2021A GO Main St.	\$ 31,816	\$ 82,250	\$ 50,434	159%
2014B GO Refunding Bonds - Fire	\$ 94,000	\$ 95,300	\$ 1,300	1%
<b>Total Debt Levy</b>	<b>\$ 770,013</b>	<b>\$ 776,504</b>	<b>\$ 6,491</b>	<b>1%</b>
<b>Total</b>	<b>\$ 3,106,437</b>	<b>\$ 3,628,986</b>	<b>\$ 522,549</b>	<b>16.82%</b>
<b>Tax Capacity</b>	<b>\$ 3,570,902</b>	<b>\$ 4,267,493</b>	<b>\$ 696,591</b>	<b>19.51%</b>
<b>City Tax Rate*</b>	<b>86.99%</b>	<b>85.04%</b>	<b>-1.96%</b>	

The increase in the 2023 Preliminary Tax Levy can be primarily attributed to the factors listed at the beginning of this memo.

## Levy Summary: 2016 to 2023 Proposed



### Conclusion

The purpose of the summary overview is to provide a high-level perspective of the overall preliminary 2023 budget. As a reminder, once the preliminary 2023 levy is set, Council may decrease the levy but may not increase it. The preliminary levy must be approved and submitted to the County by September 30, 2022, with the final levy approved at the December 12, 2022 City Council meeting and certified to Le Sueur County no later than December 30, 2022.

### ACTION REQUESTED

Staff is requesting City Council consider adoption of Resolution R2022-038 – 2023 Proposed Preliminary Levy.

CITY OF LE SUEUR, MINNESOTA  
CITY COUNCIL RESOLUTION **R2022-038**  
2023 PROPOSED PRELIMINARY GENERAL FUND BUDGET,  
2023 PRELIMINARY PROPERTY TAX LEVY, AND SETTING PUBLIC HEARING DATE  
FOR THE 2023 GENERAL FUND BUDGET

WHEREAS, the City of Le Sueur is required by State law to approve a resolution setting forth an annual tax levy to the Le Sueur County Auditor; and

WHEREAS, Minnesota Statutes require approval of a preliminary property tax levy and preliminary budget with a respective EDA levy on or before September 30th of each year; and

WHEREAS, the City Council has received the proposed budget document;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Le Sueur, that the 2023 preliminary general fund budget shall be as follows:

	Budget 2022	Proposed Budget 2023	Amount Change	% Change
<b>Revenues</b>				
Property taxes	\$ 688,903	\$ 1,058,898	\$ 369,995	53.71%
Other taxes	\$ -	\$ -	\$ -	0.00%
Licenses and permits	\$ 98,500	\$ 98,500	\$ -	0.00%
Intergovernmental	\$ 1,385,719	\$ 1,197,132	\$ (188,587)	-13.61%
Charges for services	\$ 29,500	\$ 35,000	\$ 5,500	18.64%
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ -	0.00%
Interest earnings	\$ 1,000	\$ 3,000	\$ 2,000	200.00%
Miscellaneous	\$ 59,750	\$ 84,750	\$ 25,000	41.84%
Other financing sources	\$ 524,000	\$ 524,000	\$ -	0.00%
<b>Total Revenues</b>	<b>\$ 2,817,372</b>	<b>\$ 3,031,280</b>	<b>\$ 213,908</b>	<b>7.59%</b>
<b>Expenditures</b>				
Mayor and Council	\$ 34,180	\$ 34,180	\$ -	0.00%
City Admin	\$ 127,070	\$ 143,070	\$ 16,000	12.59%
Elections	\$ -	\$ -	\$ -	0.00%
City Clerk	\$ -	\$ -	\$ -	0.00%
Accounting	\$ 51,000	\$ 52,970	\$ 1,970	3.86%
Legal	\$ 25,000	\$ 25,000	\$ -	0.00%
Planning and Zoning	\$ 104,260	\$ 26,950	\$ (77,310)	-74.15%
Government Buildings	\$ 26,900	\$ 23,200	\$ (3,700)	-13.75%
Police	\$ 1,147,490	\$ 1,314,230	\$ 166,740	14.53%
Building Code	\$ 130,900	\$ 151,080	\$ 20,180	15.42%
Street	\$ 770,890	\$ 826,780	\$ 55,890	7.25%
Library Maintenance	\$ 26,800	\$ 27,450	\$ 650	2.43%
Unallocated Expenditures	\$ 262,882	\$ 247,500	\$ (15,382)	-5.85%
Worker's Comp	\$ 66,000	\$ 112,419	\$ 46,419	70.33%
General Liability Insurance	\$ 44,000	\$ 46,451	\$ 2,451	5.57%
<b>Total Expenditures</b>	<b>2,817,372</b>	<b>3,031,280</b>	<b>213,908</b>	<b>7.59%</b>
<b>Excess Revenues (Expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

BE IT FURTHER RESOLVED that the public hearing shall be held on December 12<sup>th</sup>, 2022; and

BE IT FURTHER RESOLVED that the City Council of the City of Le Sueur, Le Sueur County, Minnesota, approves that the following represents the preliminary sums of money to be levied for collection in 2023 upon the table property in said City of Le Sueur for the following purposes:

	2022 Levy	Proposed 2023 Levy	Increase (Decrease)	% Change
General Levy	\$ 688,903	\$ 1,058,898	\$ 369,995	54%
Community Center	\$ 695,721	\$ 779,823	\$ 84,102	12%
Hwy 169 Abatement	\$ 185,000	\$ 185,000	\$ -	0%
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<b>Total Debt Service Levy</b>	<b>\$ 770,013</b>	<b>\$ 776,504</b>	<b>\$ 6,491</b>	<b>1%</b>
<b>Total City Wide Levy</b>	<b>\$ 3,106,437</b>	<b>\$ 3,628,986</b>	<b>\$ 522,549</b>	<b>16.82%</b>

BE IT FURTHER RESOLVED that Ryan Graff, Finance Director, is hereby authorized and directed to transmit this information to the County Auditor of Le Sueur County, Minnesota and the Minnesota Department of Revenue, if applicable, in the format requested as required by law.

PASSED by the City Council of the City of Le Sueur on this 12<sup>th</sup> day of September 2022.

ATTEST

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

VOTE: \_\_\_ HUNTINGTON \_\_\_ WILLIAMS \_\_\_ SWANBERG \_\_\_ KIRBY  
 \_\_\_ KROGMANN \_\_\_ SCHLUETER \_\_\_ SULLIVAN