



AGENDA ITEM #11.1

REPORT TO CITY COUNCIL

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Date: April 7, 2020

Subject: 2021 Preliminary Budget Discussion

Report: The 2021 Preliminary Budget process will begin in May and I am requesting Council direction before we begin compiling these budgets. The following are some of the Capital Improvement Plan items that will be considered during the 2021 budget process.

- Dump/snowplow truck
- Pickup truck for Public Works Department
- Road improvement projects for Nelson Road, Wild Acres Road, and Akerson Road.
- Overlay projects
- Squad car and computer
- Financial software upgrade
- Bathroom in Trailside Park
- Improve parking lot in Trailside Park
- New light posts in Trailside Park
- Replace steps at Sibley Lake Park
- Replace/repair Paul Bunyan Chair at Bobber Park

I am requesting that the Council continue to focus its directive on the City's tax rate versus the levy as history is showing continual increases to the City's net tax capacity while maintaining a stable tax rate. The following is a five year history of levies, net tax capacities, and tax rates.

<u>Year</u>	<u>Preliminary Levy</u>	<u>Final Levy</u>	<u>Net Tax Capacity</u>	<u>Tax Rate</u>
2020	\$1,813,463	\$1,808,553	\$3,205,990	56.412%
2019	\$1,726,865	\$1,699,185	\$2,961,059	57.384%
2018	\$1,693,065	\$1,637,785	\$2,866,273	57.140%
2017	\$1,597,230	\$1,597,230	\$2,823,123	56.577%
2016	\$1,666,772	\$1,553,352	\$2,719,522	57.119%

(Final Levy ÷ Net Tax Capacity = Tax Rate)

Council Action Requested: Council directive on 2021 Preliminary Budgets.