

## City of Afton 2023 Proposed Budget Overview

The following is an overview of the City of Afton proposed 2023 budget and tax levy. The proposed 2023 budget reflects an on-going effort to provide sufficient staff resources to meet increasing service demands and continue to provide sufficient funding to meet current and long term capital improvement needs, as well as to provide additional speed enforcement and absorb increased costs for contracted services, particularly police services, while managing the impact on the tax levy. The following is a link to the proposed 2023 budget spreadsheet that includes the line-item budget detail.

[https://www.ci.afton.mn.us/vertical/sites/%7B255148F5-88B9-45F6-9726-DD95D24AA11D%7D/uploads/Proposed\\_City\\_of\\_Afton\\_2023\\_Gen.\\_Fund\\_Budget\\_9.20.22\(1\).pdf](https://www.ci.afton.mn.us/vertical/sites/%7B255148F5-88B9-45F6-9726-DD95D24AA11D%7D/uploads/Proposed_City_of_Afton_2023_Gen._Fund_Budget_9.20.22(1).pdf)

### **Total Tax Levy**

The proposed 2023 budget results in a total tax levy, including the General Fund levy and the debt service and transfer levies, of \$2,636,135. This is an increase of \$110,308 or 4.37%, over the total 2022 levy.

### **Impact of Tax Levy on Property Owners**

The proposed tax levy increase of 4.37% would have the following impacts on the City's share of property taxes: (The calculation assumes a 21% increase in the value of the property)

<b>Residential property valued at \$500,000:</b>	<b>Tax increase of \$111.67 or 7.25%</b>
<b>Commercial property valued at \$500,000:</b>	<b>Tax increase of \$120.63 or 4.23%</b>

### **General Fund Budget**

The General Fund Budget includes expenditures and revenues related to the general day-to-day operation of the City, such as police and fire services, streets and parks maintenance, and general administration.

### ***General Fund Expenditure Highlights***

The proposed 2023 General Fund expenditures are \$1,531,859. This is an increase of \$55,971 or 3.8% over the 2022 budget.

### **An outline of the key items affecting the General Fund expenditures is as follows:**

- Building inspection fees are up \$5,000 or 7.1%, to reflect the increased building permit activity. These fees are more than offset by the building permit fee revenue.
- Fire and ambulance service expense is up \$10,395, or 3.6%
- General Police Service expense is up \$30,089, or 13.9%

### ***General Fund Revenue Highlights***

- Building permit fee revenue is up \$25,000 or 18% to reflect continuing higher building activity. While actual Building Permit revenue is higher than the amount budgeted, the City has been budgeting these revenues conservatively.

### **Tax Levies and Transfers**

### ***General Fund Levy***

- The proposed 2023 General Fund tax levy is \$1,181,710. This is an increase of \$27,895, or 2.4% over the 2022 General Fund levy.

### ***Capital Improvement Levies***

- Street Improvement Levy
- The proposed Street Improvement Capital Fund levy is \$300,000, which is an increase of \$60,000, or 25%, to reflect the long term street improvement funding plan.
- Bridge Replacement Levy  
The Bridge Replacement Fund Levy is proposed to remain at \$52,000.

### ***Debt Service Levies***

- The debt service levy for the 2014 Road bonds is increasing \$14,500, or 4.7% to reflect the amortization schedule.

## **Capital Improvement Projects and Funding**

### **Street and Bridge Improvements Planning**

#### Streets

There are no major street improvement projects planned for 2023. The proposed Street Improvement Capital Fund levy is part of a pay-as-you-go funding plan for future street improvements. In addition, \$80,000 of federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan Act, is proposed to be allocated to the Street Improvement Capital Fund.

#### Bridges

The 2023 proposed budget reflects a levy in the amount of \$52,000, which is sufficient to provide adequate funding for bridge repair needs.

### **Sanitary Sewer Budget**

The 2023 proposed budget includes a separate operating budget for the Sanitary Sewer operation to account for the operating costs of the wastewater collection and treatment system, particularly the costs of operating the wastewater treatment facility and the costs of periodic maintenance of lift stations and sewer lines, as well as to account for the user fee revenues necessary to fund the operating costs.