

TO: Monticello Staff  
FROM: Rachel Leonard, City Administrator  
RE: City Council Adopts 2024 Preliminary Tax Levy  
DATE: September 26, 2023

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Last night the City Council adopted the preliminary Housing & Redevelopment Authority (HRA) Levy which is used to fund the Economic Development Authority (EDA) and the preliminary 2024 city tax levy for the City of Monticello.

During the last four months staff and council completed a collaborative process to set priorities and create a draft budget for 2024. The draft budget is put into the local tax context for the upcoming year and influences City Council's decision about the levy amount necessary to fund city services and initiatives.

The Council adopted a tax levy of \$13.1 million, which is a 9% increase over the 2023 tax levy. The levy amount includes contributions to the General Fund (67%), Community Center Fund (4%), Capital Projects Fund (14%), and Debt Service (15%).

The majority of the levy is used for the General Fund, which supports many of the basic functions of city government. This includes public safety, public works, administration, recreation, and more. **In 2024 the majority of the increase is being driven by:**

- Increases in the cost of local law enforcement
- 3 elections: Presidential Primary, Primary, and General
- Proposed 4% COLA adjustment for staff wages
- Emerald Ash Borer response and pathway maintenance
- Inflation and rising operational costs

In addition, the City Council included an increase to the Capital Projects Fund in the levy amount. This will be used to help fund upcoming projects in Monticello, including the completion of the downtown improvements, the City's contribution to Wright County's East Broadway project, and the roundabouts being constructed at the intersections of Cedar St. & School Blvd. and Edmonson Ave. & School Blvd.

The adoption of the preliminary levy is a significant milestone in our annual calendar. Reaching the recommendation requires leadership from City Council, collaboration between Council and staff, and participation from the department heads who best understand the needs of their operations.

It's a lot of responsibility to balance the goals of the City Council, the operational needs of staff, and the impacts to the local tax payers. However, I'm grateful for the thoughtfulness of staff and council and their willingness to take a multi-year, strategic approach to sustaining a strong economy and quality community.

These are challenging choices with many perspectives. However, I strongly believe Monticello benefits from those varied viewpoints and the honest discussions about priorities, potential risks, and overall impacts.

And yet our preparation for 2024 isn't finished. Over the next few months, we will continue to refine the budget as new details are finalized. Then on Dec. 11 the City Council will hold a public hearing and adopt the final 2024 fee schedule, tax levies, and budget.

Please feel free to contact me if you have questions about the tax levies or draft budget.

