

Public Hearing On 2023 Recommended Budget & Tax Levy



November 29, 2022

Discussion Items



- Overview of the recommended 2023 budget
- Brief description of 2023 property tax levy
- Opportunity for public input on 2023 proposed tax levy and budget

2023 Budget Process



- Budget workshop on outlook and assumptions for 2023 budget planning (June 21)
- Budget and levy planning workshop (August 23)
- Proposed Maximum levy adoption (September 20)
 - \$147,361,306 (1.9% change) for County
- County Board budget hearings (November 14-17)
- *Budget and levy (TNT) hearing (November 29)*
- *2023 budget adoption (December 13)*

Budget environment for 2023



- Higher cost growth on existing operations (current level)
- Account for committed and unavoidable cost increases
- Increased service demands and provider capacity issues
- Tight labor market
- State and federal fiscal support is uncertain

Summary of the 2023 budget and tax levy



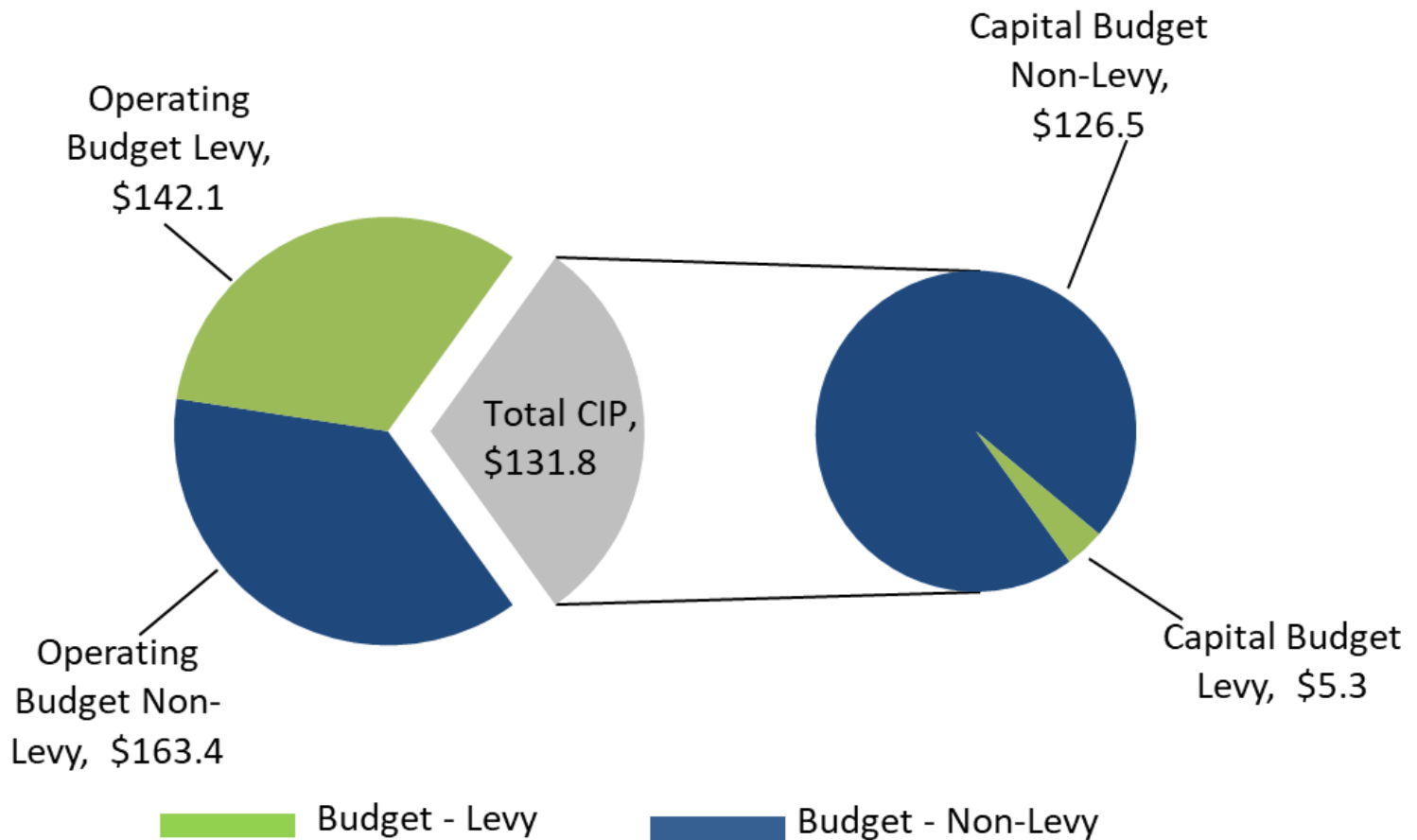
Recommended Budget

(\$ millions)	2023 Levy	2023 Total Spending	Levy % Change from 2022	Total Spending % Change from 2022
Operating Budget	\$142.1	\$305.5	2.6%	5.5%
Capital Improvement (CIP)	\$5.3	\$131.8	-14.3%	-13.4%
<i>Total Dakota County Operating/CIP</i>	<i>\$147.4</i>	<i>\$437.3</i>	<i>1.9%</i>	<i>-1.0%</i>

2023 Operating vs. Capital Service Budget



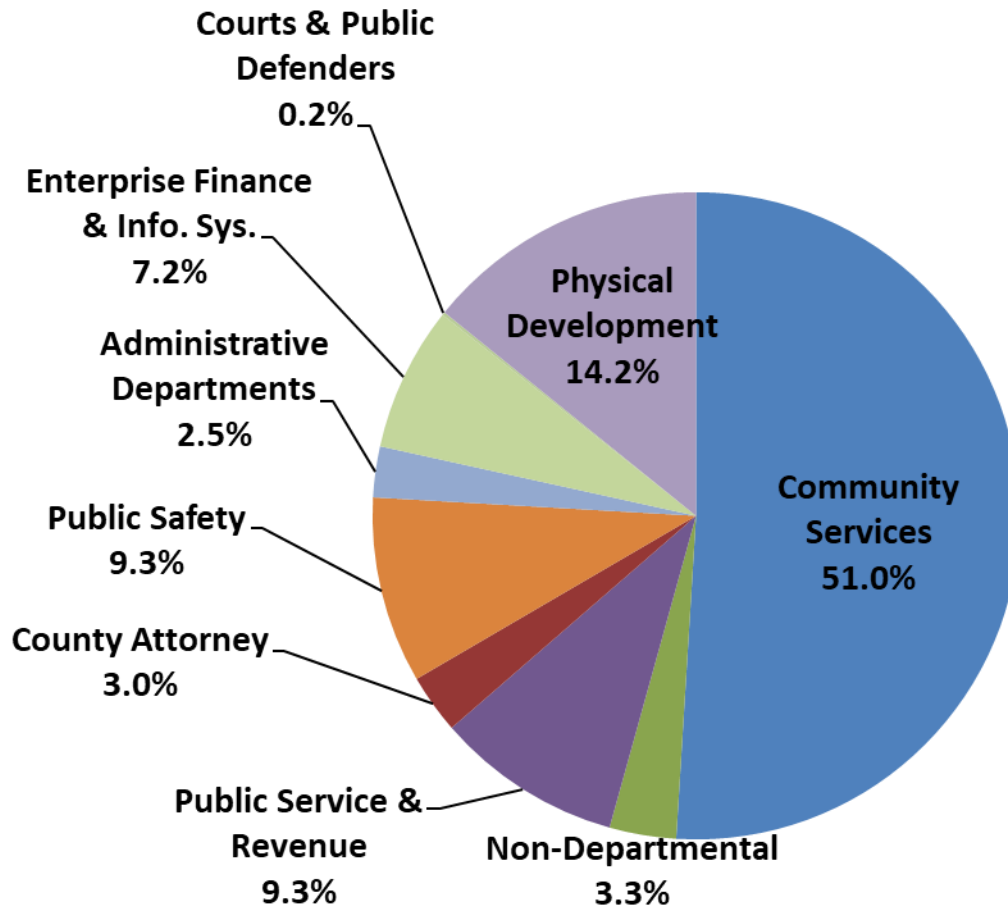
Total Budget = \$437.3



2023 Recommended Operating Budget by Division



\$305.5 million



Major Elements of 2023 Budget



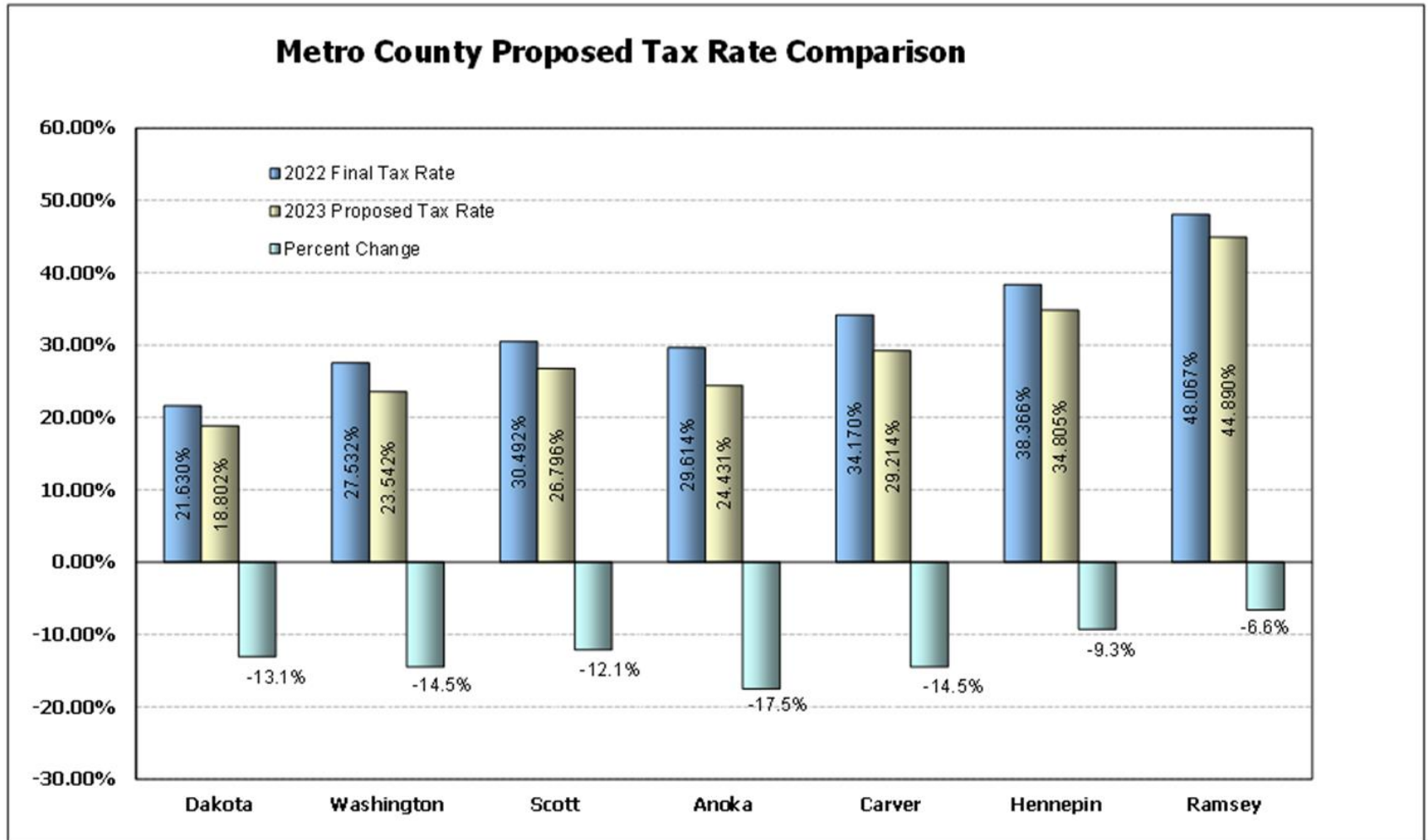
- Operating budget increases 5.5%
- Adds internal capacity in human services to address provider shortages
- Limited growth in other priority areas
- Capital budget plan for 2023-27 totals \$746 million -- financed from levy, savings, non-County funds...and no debt.
- Recommended County tax levy increased 1.9% for 2023

Proposed 2023– County Tax Rate Calculation



	(millions)	Change from 2022
Proposed 2023 levy (total)	\$148.81	1.9%
Local tax capacity (after FD and TIF exclusions)	\$703.417	18.651%
Tax capacity rate (estimated)	18.950%	-12.39%

2023 tax rate will remain lowest of Metro counties



**In St Paul and Minneapolis there is a different level of services and therefore a higher county rate. All remaining cities in both counties pay the suburban rate and tax.

2023 Property Tax Impacts



Dakota County Levy

Property Type	2023 Estimated Market Value	2023 Market		2022 County Tax	2023 Est. County Tax	County	
		Value Increase				Tax Change	% Change
Median Residential Home	\$ 359,600	17.00%		\$ 644.08	\$ 666.97	\$22.88	3.55%
Agriculture per Acre	\$ 8,700	8.75%		\$ 8.65	\$ 8.18	(\$0.47)	-5.47%
Mid-Size Commercial Preferred	\$ 1,000,000	3.41%		\$2,540.59	\$2,373.53	(\$167.05)	-6.58%
Mid-Size Apartment	\$ 1,000,000	15.44%		\$2,107.91	\$2,115.27	\$7.35	0.35%

Thank you



Web address:

<https://www.co.dakota.mn.us/Government/BudgetFinance/2023>