



# Preliminary Budget & Levy

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Adoption of the 2012 Preliminary Levy for the  
City of Winsted.



# 2012 Budget Process

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<b>June 1 – July 8</b>	City Council outlines goals & priorities for the budget and levy
<b>July</b>	Staff prepares draft budget including Council goals & priorities
<b>August 2<sup>nd</sup></b>	City Council work session to review draft 2012 budget
<b>August 30<sup>th</sup></b>	City Council Work session to review revised 2012 budget
<b>September 6<sup>th</sup></b>	City certifies preliminary levy to McLeod County





# 2012 Budget Process Cont.

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<b>Mid September</b>	City receives updated property values from McLeod County
<b>October 18<sup>th</sup></b>	City reviews budget with updated data from McLeod County
<b>November 15<sup>th</sup></b>	City reviews preliminary budget, prior to Truth-in-Taxation hearing
<b>December 6<sup>th</sup></b>	Truth-in-Taxation Hearing
<b>December 20<sup>th</sup></b>	City Council adopts the 2012 budget and levy





# Definitions

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<b>Revenue:</b>	Money received by the City from taxes, fees charged for services, permits, fines, etc.
<b>Expenditure:</b>	Money spent towards the operation of City Government (supplies, repairs, improvements, salaries, etc.)
<b>General Levy</b>	Property tax dollars needed to fund the operations of the City otherwise known as the General Fund: Council, Commissions, Administration, Public Works, Police, Fire, Parks, Library, Building Inspections, Legal, Engineering (Revenue – Expenditures = Levy)
<b>Debt Levy</b>	Property tax dollars needed to pay for the debt of the City.



# Steps to determine the property tax levy.

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General Levy

+

Debt Levy

=

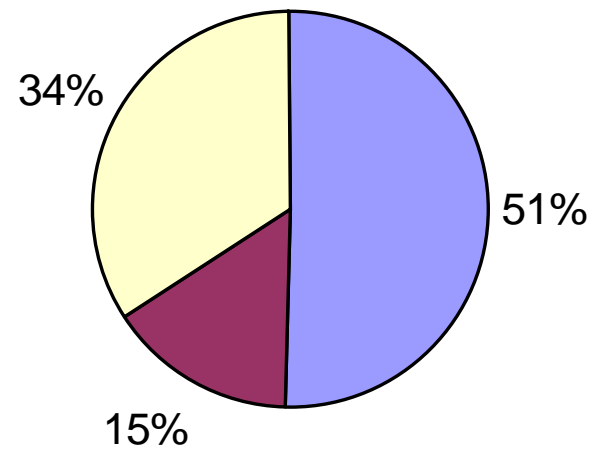
Property Tax Levy



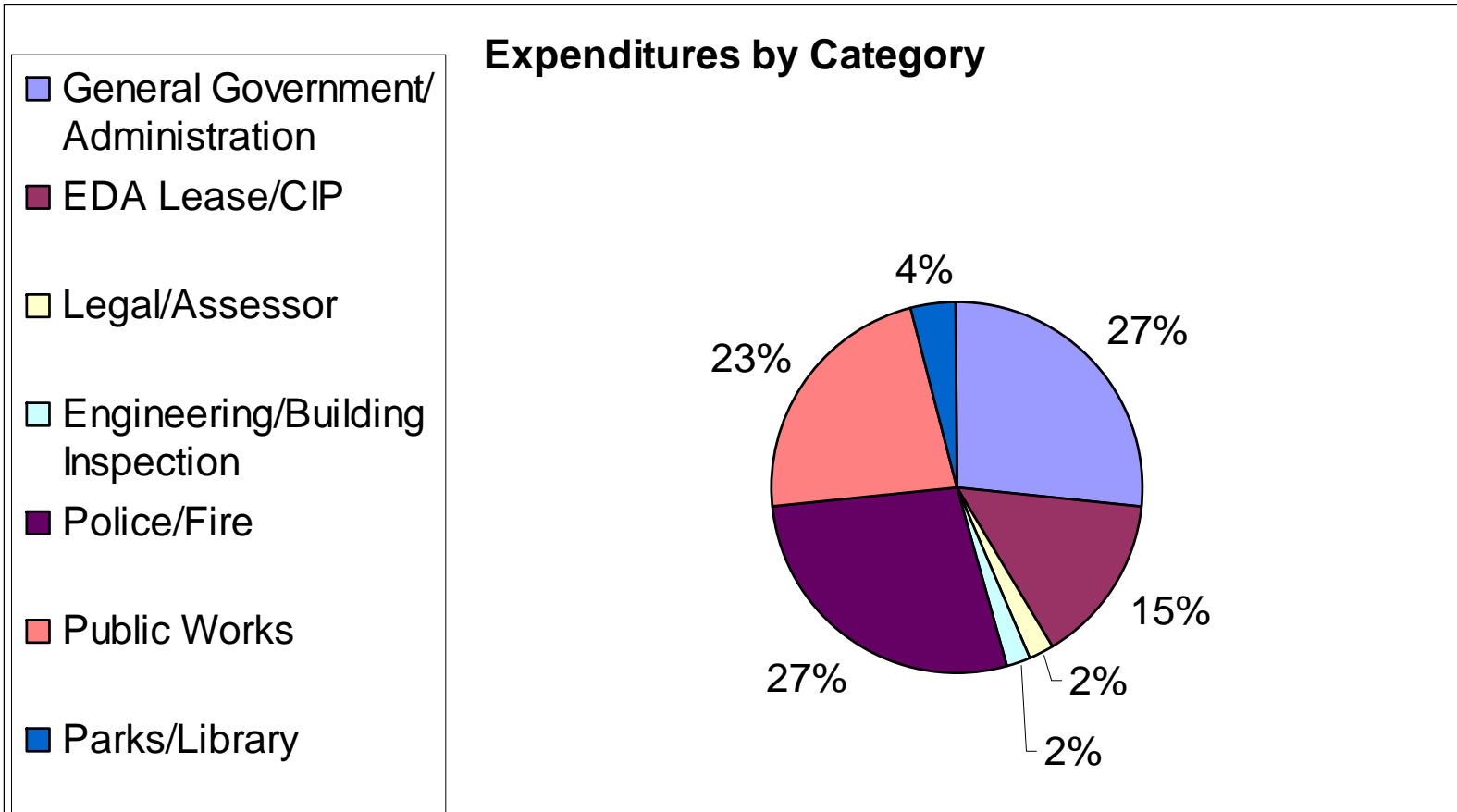
# 2012 Revenues

**Revenue by Category**

- Property Taxes
- Fees, Permits, Fines
- Local Government Aid



# 2012 Expenditures



# General Fund Summary

General Fund Expenditures	Budgeted 2011	Projected 2011	Budgeted 2012
41000 Mayor/Council	\$62,270	\$58,400	\$56,965
41300 Administration	\$194,100	\$174,200	\$210,950
41500 Assessor	\$12,022	\$12,022	\$12,100
41600 Legal Council	\$22,000.00	\$27,000.00	\$23,400.00
41700 Engineering	\$15,000.00	\$15,640.00	\$15,000.00
41900 General Government	\$219,950.00	\$240,950.00	\$372,840.00
41910 Planning Commission	\$5,350.00	\$5,350.00	\$6,280.00
42000 Public Safety	\$333,875.00	\$333,655.00	\$341,389.85
42200 Fire Protection	\$97,500.00	\$97,500.00	\$100,000.00
42400 Building Inspection	\$20,000.00	\$11,600.00	\$15,600.00
43000 Public Works	\$321,355.00	\$320,425.00	\$361,624.61
45200 Parks	\$43,200.00	\$41,750.00	\$46,500.00
45500 Libraries	\$9,800.00	\$9,400.00	\$17,000.00
<b>TOTAL Expenditures</b>	<b>\$1,356,422</b>	<b>\$1,347,892</b>	<b>\$1,579,649</b>

- 3% salary increase
- 2012 Elections
- Retail Gap Study

- Change in billing structure

- \$13,000 Server Upgrade
- \$10,000 125<sup>th</sup> Anniversary
- \$23,000 offset by revenue
- \$5,000 increase in repairs
- \$3,000 increase in EDA Lease
- \$112,000 increase in CIP funding
- \$166,000**

- 3% salary increase
- Gas/Oil increase
- Legal Fee increase

- Reduction in Building Permits

- 3% salary increase
- Budget for on-call wages
- Gas/Oil increase
- \$2,000 crack filling increase
- \$11,000 seal coating increase

- Increase to retain Head Librarian

# General Fund Summary

General Fund Revenue	<u>Budgeted 2011</u>	<u>Projected 2011</u>	<u>Budgeted 2012</u>
41900 General Government	\$1,506,876	\$1,392,861	\$1,517,499
42000 Public Safety	\$41,105	\$43,855	\$41,650
43000 Public Works	\$4,500	\$17,825	\$15,000
45200 Parks	\$5,200.00	\$5,740.00	\$5,500.00
<b>TOTAL Revenue</b>	<b>\$1,557,681</b>	<b>\$1,460,281</b>	<b>\$1,579,649</b>

- \$119,000 LGA decrease
- \$52,881 Property tax increase
- \$23,000 revenue to offset exp.
- \$15,750 New Administrative Fee

# General Fund History

	2008	2009	2010	2011	2012 <i>(Preliminary)</i>
<b>Revenues</b>	\$1,535,928	\$1,547,338	\$1,389,876	\$1,557,681	\$1,579,649
<b>Expenditures</b>	\$1,535,928	\$1,546,778	\$1,395,465	\$1,356,422	\$1,579,649
	2008	2009	2010	2011	2012 <i>(Preliminary)</i>
<b>General Levy</b>	\$712,573	\$725,093	\$732,724	\$747,379	\$800,260



# Steps to determine the property tax levy.

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\$790,279 (General Levy)

+

Debt Levy

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Property Tax Levy



# 2012 Debt Levy

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<b>Debt</b>	<b>Levy Amount</b>
'06 Public Works	\$54,000 (paid off in 2027)
'07 City Hall	\$156,000 (paid off in 2036)
'08 Equipment Certificate	\$29,250 (paid off in 2017)
'08 City Hall	\$40,000 (paid off in 2027)
'08 Refunding (Fire Hall, 00, 02 Street Projects)	\$94,000 (paid off in 2012)
<b>Total</b>	<b>\$373,250</b>



# Tax Levy History

Levy	2008	2009	2010	2011	2012 Preliminary
General	\$712,573	\$725,093	\$732,724	\$747,379	<b>\$800,260</b>
Debt	\$298,800	\$357,050	\$356,250	\$370,250	<b>\$373,250</b>
Total	\$1,011,373	\$1,082,143	\$1,088,974	1,117,629	<b>\$1,173,510</b>



# Preliminary Levy

<b>Levy</b>	<b>2011</b>	<b>2012 Preliminary</b>	<b>Increase</b>
<b>General</b>	\$747,379	<b>\$ 800,260</b>	\$52,881
<b>Debt</b>	\$370,250	<b>\$373,250</b>	\$3,000
<b>Total</b>	1,117,629	<b>\$1,173,510</b>	\$55,881 5%



# 2012 Budget Notes

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- Elimination of Market Value Homestead Credit (MVHC)
  - Reimbursement from State of Minnesota
  
- Market Value Exclusion (MVE)
  - Reduction in taxable property values (homestead)
  
- Pavement Management Plan
  - Need to prepare for increased cost for program implementation
  - 2012: Westgate Dr. & Fire Department Lot
  - Does not account for additional funding plan
  
- Capital Purchases: Fund Balance \$62,699.68 + \$40,000 (2011)
  - Police Department '03 Squad Car (delayed since 2009): \$30,000
  - Public Works '99 Truck (delayed since 2010): \$40,000
  - Public Works Storage Shed



# 2012 Budget Notes Cont.

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- LGA
  - Budget does not reflect possible LGA cuts.
  
- Capital Improvement Plan
  - Budget does not fully fund Capital Improvement Plan
  
- Fire Protection
  - Cost may change slightly as per unit cost is not yet approved by Council.
  
- Revenue:
  - Slight increase in revenue is possible from fee schedule changes.
  
- Levy Adjustments
  - Preliminary Levy can decrease but cannot increase.





# 2012 Budget Timeline Cont.

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