

2013 DRAFT BUDGET SUMMARY



August 6, 2012

Agenda



- I. Schedule
- II. Budget Format Changes
- III. General Fund Revenues
- IV. Operations
- V. Capital Equipment Plan
- VI. General Fund Expenditures
- VII. Levy
- VIII. Next Steps

2013

Budget Schedule



| Date | Meeting | Fund | Action |
|---------------------------|-----------------|----------------------------|---|
| August 6 th | Work Session | General Fund | Review Draft Budget |
| August 20 th | Work Session | General Fund | Review Draft Budget |
| September 4 th | Regular Meeting | General Fund | Certify Preliminary Tax Levy |
| October 1 st | Work Session | Enterprise Funds | Utility Study |
| October 15 th | Work Session | Enterprise Funds | Review Draft Budget |
| November 19 th | Work Session | General & Enterprise Funds | Review Existing Budget Conditions |
| December 3 rd | Regular Meeting | General | Truth-in-Taxation Public Hearing |
| December 17 th | Regular Meeting | General & Enterprise Funds | Adopt the 2013 Budget & Certify the 2013 Tax Levy |

Budget Format Changes



- Combined duplicate or near duplicate line-item entries
- Separate budget category for General Engineering
- Exchanged a General Fund transfer to the “HPC Fund” with a “HPC Operating” line-item within the Planning category

General Fund Revenues

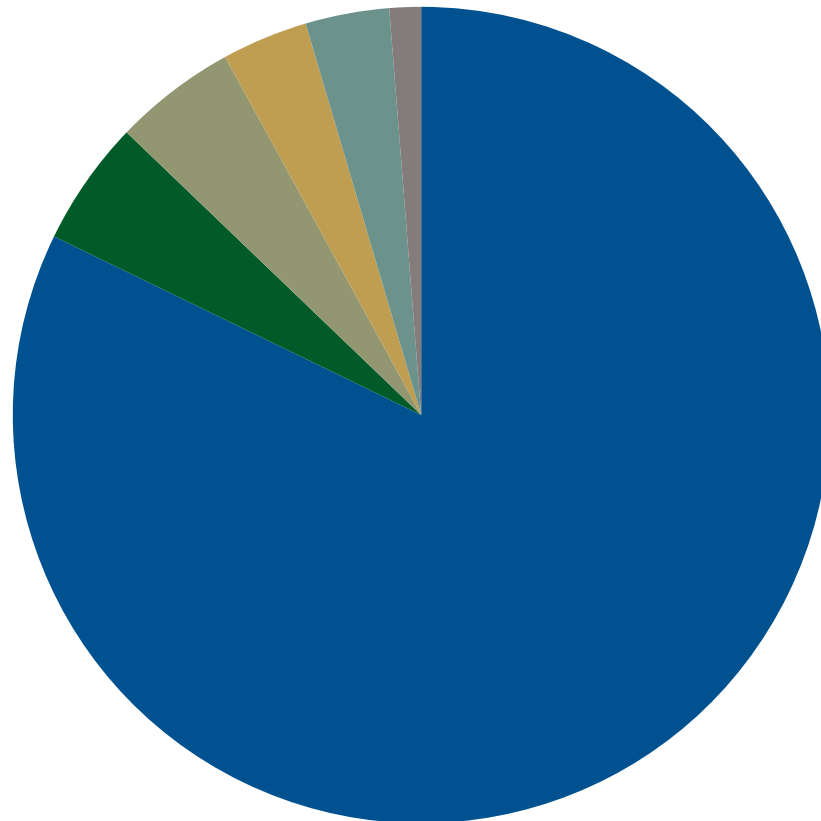


- **Fiscal Disparities** - Removed the City's internal calculation for fiscal disparities in the general revenue budget. Fiscal Disparities is not a cash entry into the General Fund
- **Fire Contracts** – New formula will decrease contracted service revenue by an anticipated \$12,500
- **Building Permits** – Permit revenue is anticipated to drop by 25%
 - 14 – Single Family Units
 - 6 – Townhomes

2013 General Fund Revenues



\$2,275,612



- **Property Taxes - 82%**
- **Capital Fund - 5%**
- **Rural Fire Contracts - 5%**
- **Building Permits - 4%**
- **Other - 3%**
- **Fees / Licenses / Rents - 1%**

Personnel



- The current Collective Bargaining Agreement runs through December 31, 2013 and stipulates a 2% pay increase effective January 1, 2013
- Proposed 2% increase for salaried (Department Head) employees
- Health insurance premiums have been budgeted with a 8% increase
- Anticipating a 10% increase in workers compensation insurance
- 50% of the costs for Finance Director contracted services - \$12,500 / \$25,000 total
- 50/50 split between the General and Enterprise Funds
- Anticipating 10 hours a month in Finance Director contracted services

Emergency Services



Fire Department

- Payment for SCBA's - \$20,208
- Capital Equipment Fund - \$7,500
- The \$7,500 is part of a 4 year plan to replace "Rescue 12"

Law Enforcement

- Town Cop and CSO - \$127,000
- Summer Patrol - \$21,000

Facilities Study

- Comprehensive review of anticipated space needs
- 2012/13 strategic goal of the City Council
- Estimated cost - \$11,500
- 50/50 cost split between General & Enterprise Funds



Parks

- Repay Park Dedication Fund for the Lions Park Tennis/Basketball Court Project - \$20,000
- Annual appropriation for the Parks/Trails Capital Plan - \$19,414



Levee Maintenance Program – Army CORP



- ❑ The City is in the Army CORP “Non-Federal Levee Program”
- ❑ The Army CORP issued a report on Carver’s levee requiring certain maintenance be performed
- ❑ Clear and grub trees on the south side of the levee and other miscellaneous maintenance - \$10,000



Municipal Code Re-codification



- ❑ Re-codification is a legal review of a municipal code for inconsistencies, duplications, and general organization
- ❑ Will provide an opportunity to create a more user-friendly online code
- ❑ Re-codification has been recommended by the City Attorney, Larry Harris
- ❑ Anticipated cost \$10,000 – Legal Services

Vehicle Hoist

- ❑ Maintenance is performed on vehicles in the Fire Department, Building Inspections, Public Works and Public Utilities Departments
- ❑ Vehicle hoist is a recommended safety improvement by the LMC
- ❑ Estimated cost - \$20,000
- ❑ 50/50 cost split between General & Enterprise Funds



Capital Equipment Plan



- The City has laid out a Capital Equipment Plan within its larger Financial Management Plan
- The Capital Equipment Plan has scheduled purchases in 2013
- Funding for these purchases would come from an pre-existing Capital Fund
- Capital Fund Balance – Approximately \$113,000

Capital Equipment Plan

Inspections Vehicle



- ❑ 06 Chevrolet HHR
- ❑ 2-wheel drive
- ❑ Approximately 45,000 miles
- ❑ The Capital Plan calls for the replacement of the HHR with a 4-wheel drive pick-up truck
- ❑ Anticipated cost - \$25,000



Capital Equipment Plan

Truck – Public Works



- ❑ 98 Chevrolet CK3500
- ❑ Approximately 100,000 miles
- ❑ The Capital Plan calls for the replacement of the CK3500
- ❑ Estimated cost - \$45,000



Capital Equipment Plan

Tractor – Public Works



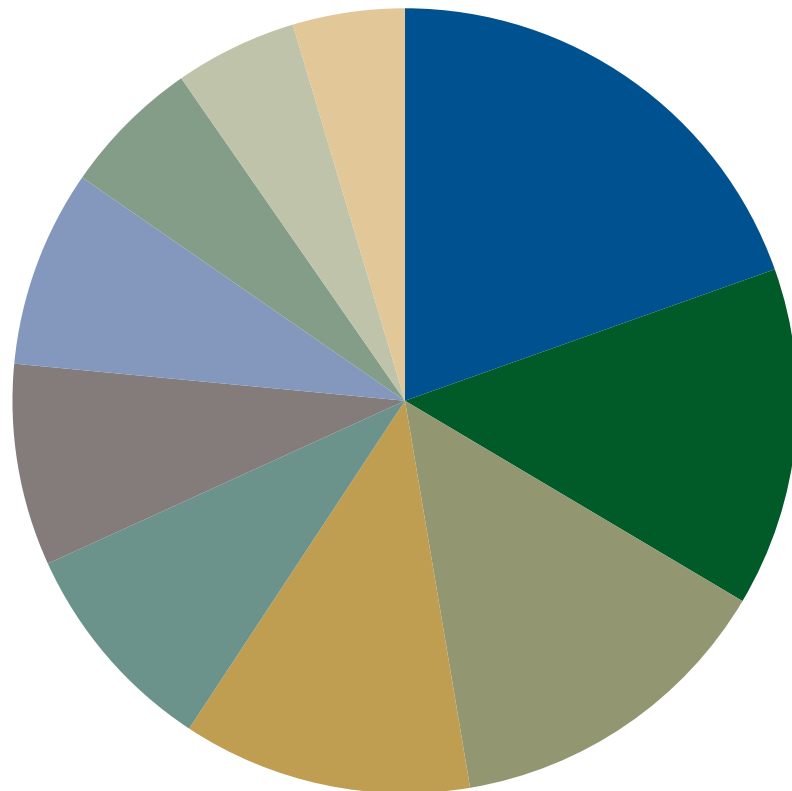
- ❑ 03 Kubota Tractor
- ❑ Approximately 3,000 hours
- ❑ Used for park maintenance, street maintenance and plowing cul-de-sacs
- ❑ The Capital Plan calls for the purchase of an additional tractor
- ❑ Estimated cost – \$40,000



2013 General Fund Expenditures



\$2,275,612



- **Public Works - 20%**
- **Administration - 14%**
- **Debt Service - 14%**
- **Fire Department - 12%**
- **Parks - 9%**
- **Contracted Services - 8%**
- **Building Inspections - 8%**
- **Law Enforcement - 6%**
- **Parks & Recreation - 5%**
- **General Government - 4%**

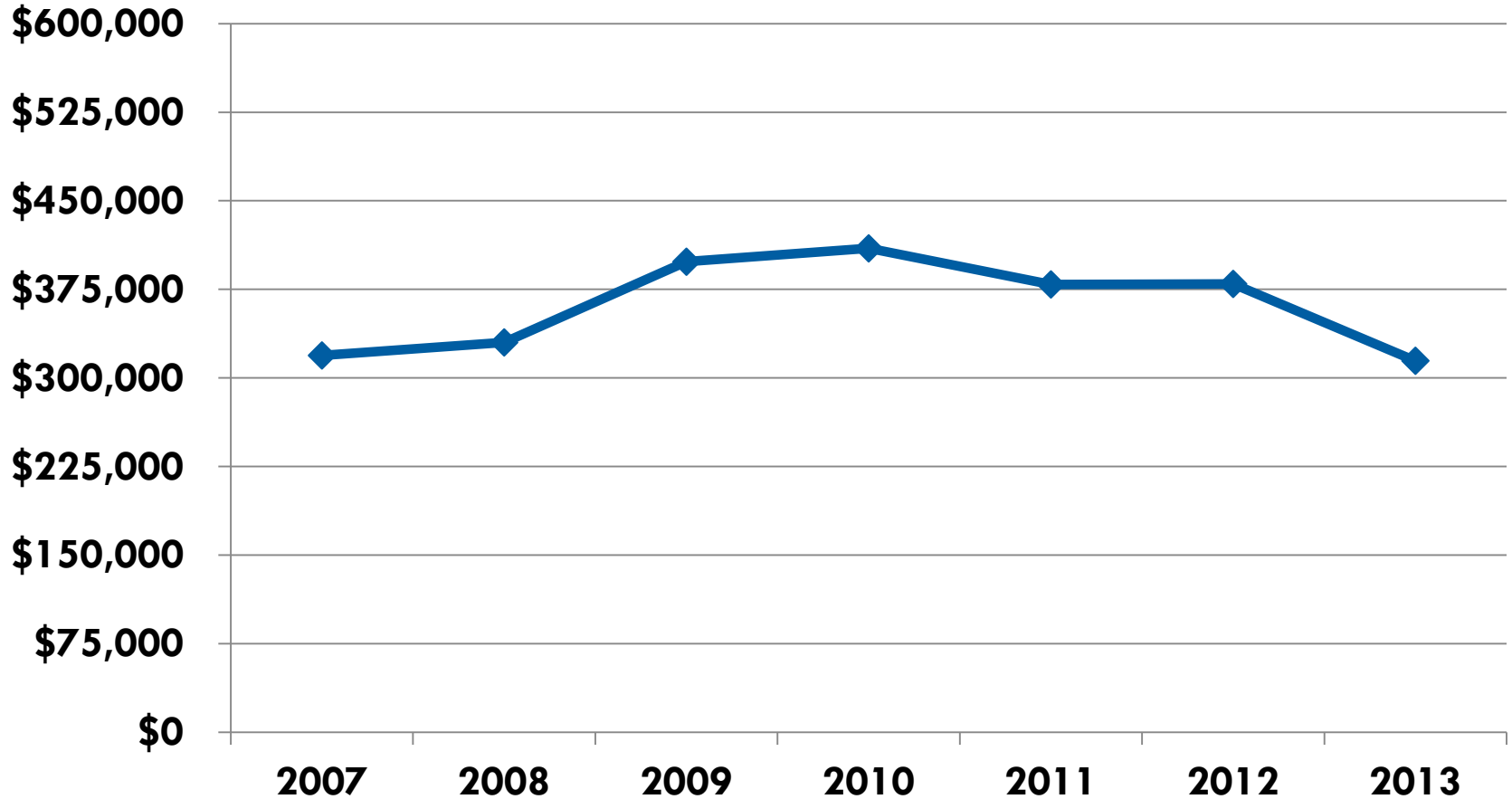
2013 Debt Service



| Debt Service Fund | 2011 Debt Service | 2012 Debt Service | 2013 Debt Service |
|--------------------------------|----------------------|----------------------|----------------------|
| Public Works / Fire Station | \$150,900 | \$144,425 | N/A |
| 08 Improvement | \$58,800 | \$61,900 | \$40,115 |
| 10 Equipment Certificate | \$62,800 | \$60,270 | N/A |
| 10 Refunding – 2004A | \$79,800 | \$86,790 | N/A |
| 10 Refunding – 2003B | \$26,883 | \$26,221 | N/A |
| 10 Refunding (Consolidated) | - | - | \$274,415 |
| Total Debt Service Levy | \$379,183 | \$379,606 | \$314,530 |

- ❑ In 2014 the City will need to plan for an additional \$82,402 to service the debt on the Levi Griffin Road Project and \$59,636 for the 4th St. W. Reconstruction Project

Debt Service Levy History



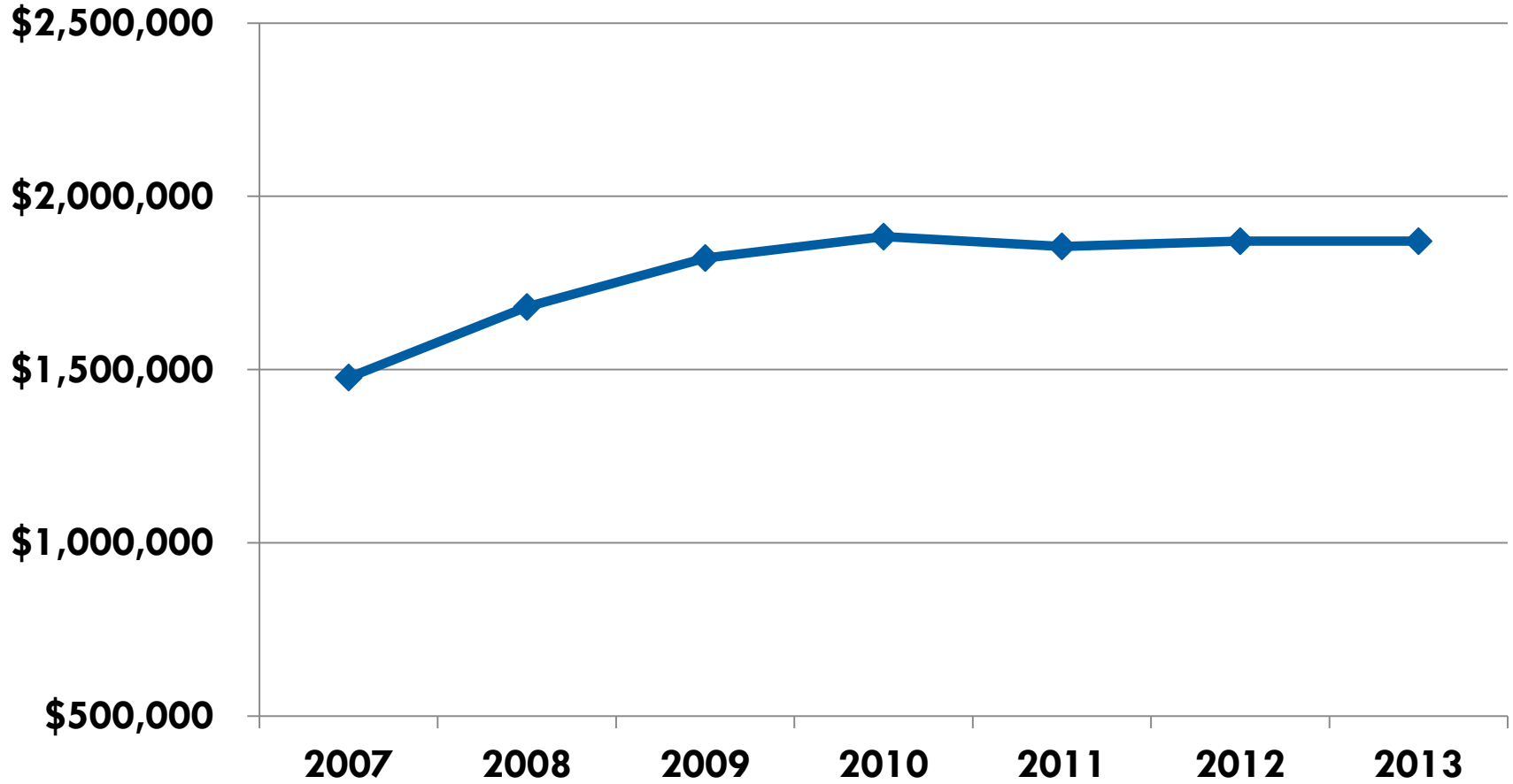
Total Levy



| | 2010 | 2011 | 2012 | Draft 2013 |
|-----------------------|-------------|-------------|-------------|--------------------|
| General Levy | \$1,474,099 | \$1,476,392 | \$1,491,041 | \$1,556,117 |
| Bond Levy | \$409,700 | \$379,183 | \$379,606 | \$314,530 |
| Total Tax Levy | \$1,883,799 | \$1,855,575 | \$1,870,647 | \$1,870,647 |

- The draft 2013 Budget represents approximately a 0% increase over the 2012 certified levy
- The Carver County Assessor's Office is estimating a net residential market value reduction of approximately 7% in the City of Carver

Total Levy History



Next Steps



- ❑ Provide feedback for staff on draft budget
- ❑ Necessary revisions will be brought before the City Council during the August 20th Work Session
- ❑ The City Council must certify a preliminary levy to Carver County by September 15th (September 4th Meeting)
- ❑ Once the preliminary levy is certified to Carver County it can only be lowered
- ❑ There will likely be some budget changes prior to presenting the final budget to the City Council in December