



**LE SUEUR CITY COUNCIL  
WORK SESSION AGENDA  
Monday, August 15, 2016  
203 South Second Street  
6:00 P.M.**

1. Call to Order
2. Review 2017 Proposed General Fund Budget
3. Adjourn



CITY OF LE SUEUR  
MEMORANDUM

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Proposed 2017 General Fund Budget

DATE: For the City Council Work Session of Monday, August 15, 2017

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**PURPOSE/ACTION REQUESTED**

Consider proposed 2017 General Fund budgets.

**SUMMARY**

Attached are the materials for the proposed 2017 General Fund budget including the proposed tax levy information, the General Fund Summary, the proposed 2017 Community Center budget.

As always, staff strives to keep the levy at a 0% increase from the previous year, but there are projects and initiatives that are both Council and staff driven, needed equipment replacement and AEM continues to unearth discrepancies from previous years that drive increases.

I have provided brief explanations of some of the larger increases below. Staff will also be available Monday evening to respond to questions.

You will note that the transfer from the Electric fund increases in this proposed budget. However it is offset by a reduction in the Electric funds salaries and benefits by a like amount. This is due to re-evaluating salary and benefit allocations.

A number of positions salaries and benefits costs are allocated across different funds. For example, my position is allocated 50% in the General Fund, 17% in the Electric Fund, 17% in the Water Fund and 16% in the Sewer Fund.

After reviewing the previous method of allocation, the Finance Director and I concur that this a more accurate reflection of actual time spent by those positions and that it should be reflected in the General Fund in that manner.

The City Clerk budget has been absorbed into the Administration budget. There isn't a need to reflect these as separate activities.

The increase in the Accounting budget is due to the re-allocation of salary and benefits.

The increase in the Police Reserve budget is due to those wages not being reflected in previous budgets.

The increase in Planning and Zoning reflects the partial addition of a Community Development Director position. The other portion of that activity is indicated in the EDA Fund, and with this proposed budget staff is proposing an EDA levy that is outside the General Fund tax levy. As previously discussed with the Council, cities have statutory authority to levy for EDA activities.

Increases in Parks and Recreation and Community Center are due to the re-allocation of wages and benefits.

Included in this proposed budget are dollars that have been estimated to cover costs associated with initiatives or projects that come forward out of the Comprehensive Plan Update.

This proposed budget does continue funding the Sidewalk Improvement Fund and the Pavement Management Fund at the same level as 2016.

Overall, the proposed 2017 general fund tax levy is a 2.5% increase over 2016. As the Council will recall, the proposed levy is set in September and the final levy is adopted in December. The proposed levy adopted in September cannot be increased in December, it can only be decreased.

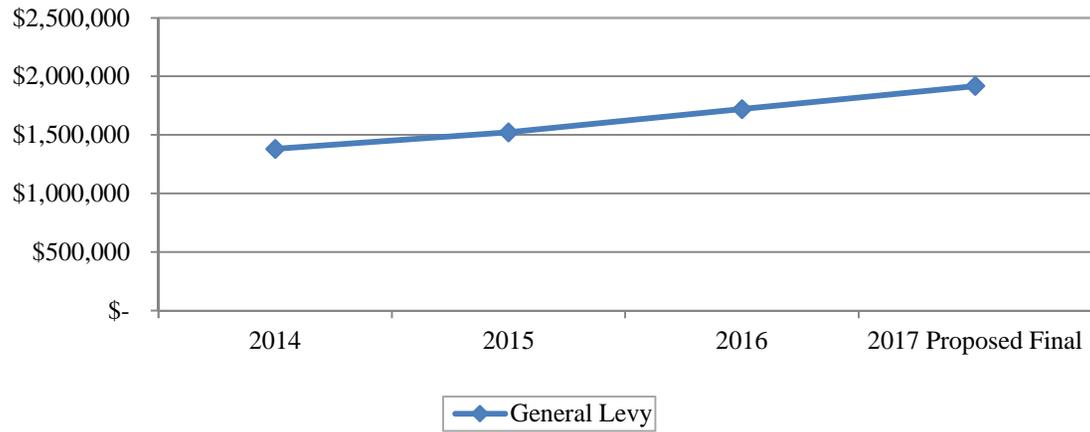
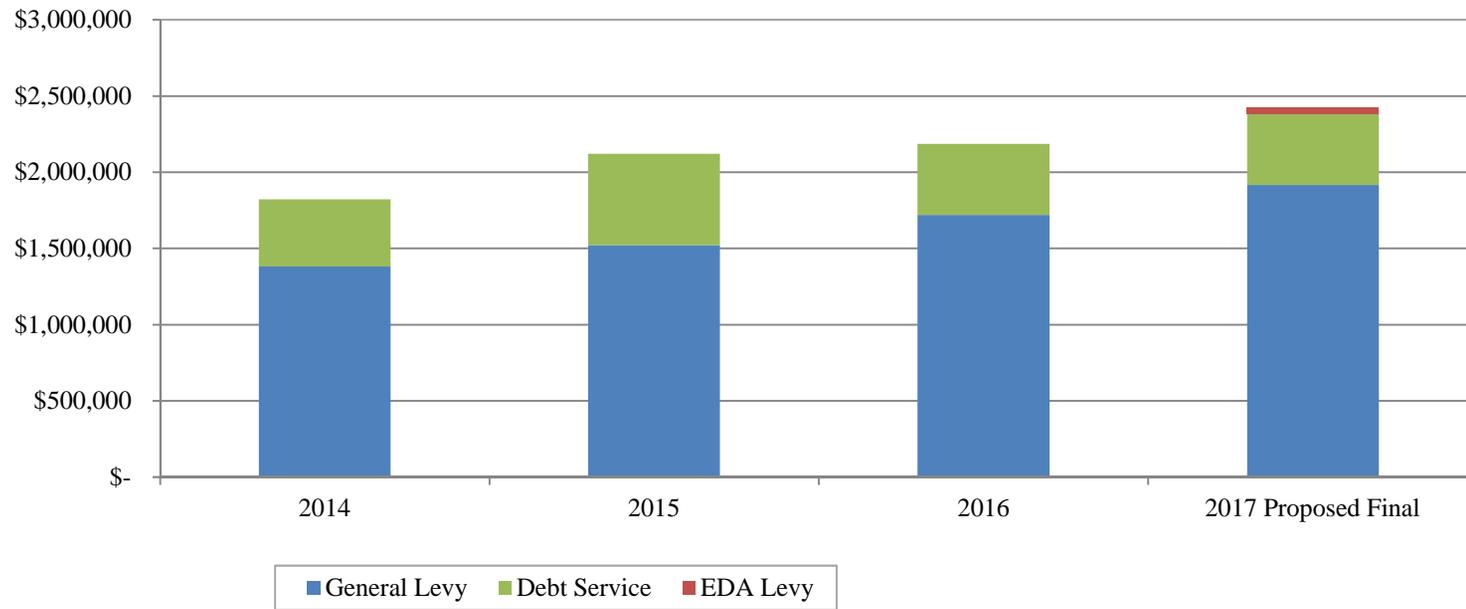
#### **RECOMMENDATION**

Staff recommends the Council review and discuss the 2017 proposed budget and provide direction to staff on preparation of the proposed budget for adoption in September.

		2016 Budget	2017 Budget	Increase (Decrease)	% Change
taxes					
<b>Base Levy</b>					
101	General	\$ 769,778	\$ 870,841	\$ 101,063	13.13%
225	Fire	-	-	-	0.00%
615	Community Center	401,058	500,038	98,980	24.68%
415	Sidewalk reconstruction	185,500	185,500	-	0.00%
316	Johnson Control Loan	122,000	122,000	-	0.00%
416	Pavement Management Plan	242,000	239,000	(3,000)	100.00%
<b>Total Base Levy</b>		<u>1,720,336</u>	<u>1,917,379.00</u>	<u>197,043.00</u>	<u>11.45%</u>
<b>Debt Service</b>					
306	2003 Participation Advance Refunding	-	-	-	
312	2004 Equipment Lease Purchase	-	-	-	
318	2008A GO Tax Abatement Bonds	50,000	50,000	-	
505	2009A GO Imp. Bonds	40,500	40,500	-	
319	2010A GO Equipment Cert.	-	-	-	
320	2010D GO Capital Improvement	54,500	52,250	(2,250)	
507	2011B SA GO Refunding Bonds	15,000	15,000	-	
508	2012A GO Improvement Bonds	70,000	70,000	-	
510	2013B GO Street Reconstruction	77,000	77,000	-	
301	2014A Recreational Facilities Bond	-	-	-	
502	2014B GO Refunding Bonds imp.	-	-	-	
309	2014B Go Refunding Bonds - Library	68,000	68,000	-	
477	169 Frontage Road	-	-	-	
310	2014B GO Refunding bonds - fire	90,000	92,500	2,500	
<b>Total Debt Service Levy</b>		<u>465,000</u>	<u>465,250</u>	<u>250</u>	<u>0.05%</u>
<b>Total General Levy</b>		<u>\$ 2,185,336</u>	<u>\$ 2,382,629</u>	<u>\$ 197,293</u>	<u>9.03%</u>
EDA Taxes					
<b>EDA Levy</b>					
380	EDA General Fund	-	40,000	40,000	100%
<b>Total EDA Levy</b>		<u>-</u>	<u>40,000</u>	<u>40,000</u>	
<b>Total City Wide Levy</b>		<u>\$ 2,185,336</u>	<u>\$ 2,422,629</u>	<u>\$ 237,293</u>	

\*\*Note that debt was not broken out by each debt service in 2015 and is presented as one lump number for the 2015 Budget.

### Tax Levy Summary



CITY OF LE SUEUR, MINNESOTA  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - SUMMARY  
GENERAL FUND  
ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014-2015, PERIOD TO DATE MAY 31, 2016 AND  
BUDGET FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

	Actual	Actual	YTD	Budget	Budget	Percent
	2014	2015	May-16	2016	2017	Change
<b>REVENUES</b>						
Taxes	\$ 750,698	\$ 714,393	\$ 22,142	\$ 769,778	\$ 870,841	13%
Special Assessments	-	-	-	-	-	
Licenses and permits	105,338	129,170	21,889	95,700	61,100	-36% (1)
Intergovernmental	1,004,439	1,031,904	31,418	1,028,376	1,033,903	1%
Charges for services	55,001	18,457	8,637	23,550	11,050	-53% (2)
Fines and forfeits	24,045	25,854	11,148	24,100	24,000	0%
Investment earnings	4,310	3,057	1,591	2,500	2,500	0%
Miscellaneous	143,330	88,293	56,828	91,016	127,016	40% (3)
<b>TOTAL REVENUES</b>	<b>2,087,161</b>	<b>2,011,128</b>	<b>153,653</b>	<b>2,035,020</b>	<b>2,130,410</b>	<b>5%</b>
<b>EXPENDITURES</b>						
Mayor and council	27,713	32,113	14,546	32,000	33,000	3%
Administration	240,739	243,906	112,449	304,220	421,740	39% (4)
City clerk	93,364	121,736	62,746	103,700	-	-100% (4)
Accounting	58,046	51,805	4,653	72,700	117,300	61% (5)
City attorney	21,484	39,928	8,629	13,000	15,000	15%
Planning and zoning	10,284	6,537	188	8,000	34,300	329% (6)
Police	830,780	859,128	179,976	899,800	959,960	7%
Police Reserves	24,405	27,989	10,259	8,250	15,250	85% (7)
Emergency Management/EOC	5,159	5,035	1,751	3,750	4,100	9%
Building inspection	72,896	60,631	6,973	50,050	51,250	2%
Streets	553,052	562,828	156,835	634,600	659,100	4%
Safety & Wellness	13,704	15,988	4,734	13,850	13,800	0%
Parks and recreation	114,906	139,976	67,995	203,550	246,350	21% (8)
Forestry	15,805	12,795	2,609	22,050	22,100	0%
Library utilities	30,396	27,884	10,037	31,000	33,200	7%
<b>TOTAL EXPENDITURES</b>	<b>2,112,735</b>	<b>2,208,278</b>	<b>644,379</b>	<b>2,400,520</b>	<b>2,626,450</b>	<b>9%</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(25,573)</b>	<b>(197,150)</b>	<b>(490,726)</b>	<b>(365,500)</b>	<b>(496,040)</b>	<b>36%</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	350,000	350,000	145,833	350,000	500,000	43% (9)
TRANSFERS OUT	(14,649)	(10,297)	(4,290)	-	(3,960)	0%
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>335,351</b>	<b>339,703</b>	<b>141,543</b>	<b>350,000</b>	<b>496,040</b>	<b>42%</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>						
	<b>\$ 309,778</b>	<b>\$ 142,553</b>	<b>\$ (349,183)</b>	<b>\$ (15,500)</b>	<b>\$ -</b>	

**Explanation of Budget Changes in revenue and expenditures over 10%**

- (1) Estimated decrease in Building Permits by \$30,000.
- (2) Refuse and recycling charges are now in there own fund (Fund 607)
- (3) Cable TV Franchise Fees are now tracked without netting them with expenditures
- (4) Moving City Clerk budget dollars into the Administration Dept.
- (5) Changes in wage allocations
- (6) This is for new Community Development Director. 25% of salary will be covered by General Fund
- (7) Police Reserve wages not fully budgeted for in 2016. Budgeted additional \$6,700 in 2017.
- (8) Wage Allocation change for the Community Center and the General Fund Parks Dept.
- (9) This has to compensate the General Fund for the wage allocation changes that are occurring in 2017. Electric Fund losses approx. \$150,000 worth of salary and benefits

CITY OF LE SUEUR, MINNESOTA  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - SUMMARY  
COMMUNITY CENTER - 615  
ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014-2015, PERIOD TO DATE MAY 31, 2016 AND  
BUDGET FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

	Actual 2014	Actual 2015	YTD May-16	Budget 2016	Budget 2017	Percent Change
<b>REVENUES</b>						
Taxes	\$ 317,320	\$ 430,878	\$ -	\$ 401,058	\$ 500,038	25%
Special Assessments	-	-	-	-	-	
Charges for services	438,284	608,967	324,617	467,200	457,500	-2%
Miscellaneous	35,713	31,634	6,793	23,000	24,000	4%
<b>TOTAL REVENUES</b>	<b>791,317</b>	<b>1,071,479</b>	<b>331,410</b>	<b>891,258</b>	<b>981,538</b>	<b>10%</b>
<b>EXPENDITURES</b>						
Swimming Pool	70,712	75,109	6,215	86,250	87,650	2%
Personnel Services	364,844	352,260	133,605	286,700	302,100	5% (1)
Repairs and maintenance	56,549	84,232	37,692	94,500	96,000	2%
Administrative and general	243,684	214,782	88,066	244,135	250,085	2%
Capital outlay	1,063	4,999	4,869	8,000	10,000	25% (2)
<b>TOTAL EXPENDITURES</b>	<b>736,853</b>	<b>731,382</b>	<b>270,447</b>	<b>719,585</b>	<b>745,835</b>	<b>4%</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>54,464</b>	<b>340,097</b>	<b>60,963</b>	<b>171,673</b>	<b>235,703</b>	<b>37%</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	0%
TRANSFER OUT	(119,275)	(212,723)	(88,635)	(176,873)	(235,703)	33% (3)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(119,275)</b>	<b>(212,723)</b>	<b>(88,635)</b>	<b>(176,873)</b>	<b>(235,703)</b>	<b>33%</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (64,811)</b>	<b>\$ 127,374</b>	<b>\$ (27,671)</b>	<b>\$ (5,200)</b>	<b>\$ -</b>	

**Explanation of Budget Changes in revenue and expenditures over 5%**

- (1) Change of wage allocation between the General Fund and the Community Center Fund
- (2) Outdoor Pool facility design of \$6,700 in 2017.
- (3) Increase in transfer to cover the debt payments for 2017 in the 2014 Rec Facility Bond